JOINT COMMITTEE ON THE WATER UNDERTAKINGS BILL [*Lords*]

DIE MARTIS, 27° JUNII, 1939.

Members present:

Earl of Onslow.	Mr. Edwards.
Viscount Bridport.	Sir Francis Fremantle.
Lord Darcy (de Knayth).	Mr. James Griffiths.
Lord Teynham.	Mr. Levy.
Lord Derwent.	Mr. Medlicott.
Lord Faringdon.	Major Mills.
Lord Kenilworth.	Mr. Rathbone.

The EARL OF ONSLOW in the Chair.

Sir FREDERICK LIDDELL, K.C.B., K.C. (Counsel to Mr. Speaker), attends the Committee.

Mr. G. R. HILL, C.B. (Parliamentary Counsel Office); Mr. I. F. ARMER, M.C. (Ministry of Health); Mr. C. B. MARSHALL (Parliamentary Agent) (Central Landowners' Association); Mr. G. N. C. SWIFT (County Councils Association); Mr C. E. C. BROWNE (Parliamentary Agent) (Metropolitan Water Board); Mr. H. E. SWALLOW (Parliamentary Agent) (Urban District Councils Association); Mr. CHARLES L. DES FORGES (Town Clerk of Rotherham), Mr. J. K. SWALES, M.Inst.C.E. (General Manager and Engineer of the Sheffield Corporation Waterworks), and Mr. ARTHUR COLLINS (Financial Adviser to Local Authorities) (Association of Municipal Corporations); Mr. J. F. HASELDINE (British Waterworks Association and Water Companies Association); Sir GEOFFREY COX, C.B.E. (Parliamentary Agent) (Catchment Boards Association); Captain C. W. ELLEN (Federation of British Industries); Mr. T. G. SEAGER BERRY (Parliamentary Agent) and Mr. A. B. E. BLACKBURN (Engineer and Manager) (Sunderland and South Shields Water Company), are called in and examined as follows:—

Sir *Francis Fremantle.*] My Lord Chairman, I should like, if I might, just to make a declaration, that I am, to a certain extent, an interested party, a member of one of the Water Companies and of the Executive of the British Water Association.

Chairman.

1. I am sure the Committee will feel that that need not be a reason for depriving us of the most valuable service of Sir Francis Fremantle. I think, Mr. Armer, you represent the Ministry of Health, do you not?—(Mr. *Armer.*) Yes, my Lord.

2. In the first place, I would like you, if you would, just to tell the Committee (several of us have been on these Committees before; many of us have not) what the object of these Bills is, how they are drafted, why they are called Consolidation and Amendment Bills and, especially, how far the amendments go. We have had that always before, and we would like you to give us an explanation of that, because I think it is helpful, in the first instance?—Yes. The procedure adopted by the Drafting Committee was to take the general enactments relating to water supply in so far as those enactments regulated the carrying on of undertakings; also, to take the amendments which have been made in special Acts, which amendments have become common-form amendments. We have taken those all together and put them into one Bill with such amendments as were necessary to clarify the procedure. Most of the amendments are purely drafting; there are one or two amendments of a more than drafting nature, and I would suggest, my Lord, that when we come to each clause I might indicate how far the amendment is a substantial amendment, or not.

3. Yes; but what I want you to explain to the Committee is why it is you proceed in this way, why you take a consolidation and amendment Bill and not an entire Water Bill dealing with all the points and recommendations that have been made?—Because the provisions in this Bill are mainly either in existing legislation, or in special local Acts.

4. A good deal of it is in private Acts?—Yes. Almost all the Bill has some precedent for it in either general or

special Acts. The Minister thought that this procedure was appropriate for such a Bill.

Chairman.] Would any Member of the Committee like to ask Mr. Armer any questions, because I think that it is very important that we should know exactly how we stand and what the exact scope of the Bill is.

Mr. *Levy.*

5. Perhaps I might ask Mr. Armer this question: If I understand you correctly, this is really a Consolidation Bill of all the existing Acts which include the private Acts dealing with water?—Common provisions, yes.

6. And it does not, in any sense, add any new legislation to deal with what we might describe as an improvement in the water supply of the country other than that which is contained in the Acts which we are now consolidating?—That is so.

Chairman.

7. In fact, it is a consolidation of the existing water legislation?—Yes, my Lord.

Mr. *James Griffiths.*

8. Are we to take it from the reply just given that there are no provisions in this Bill which substantially alter the present legislation?—There are no provisions in the Bill which extend the field of water legislation. There are no extra powers granted to water undertakers for the control of such things as underground water or planning of supplies to which, I understand, Mr. Levy's question to be directed. It is an amendment of what is already in the existing law, and it does not enter into any new field at all?

Chairman.

9. You will be careful to draw our attention to anything which may be considered to be of substance?—I will, my Lord.

Chairman.] With the permission of the Committee, I might, perhaps draw attention to this Paper. The amendments will be proposed under the following clauses, but I have got a note with every clause and every authority who has got an amendment, like this: Clause 1: The Ministry of Health have got amendments. The Central Landowners' Association and the name of Mr. Marshall. The County Council Association, and Metropolitan Water Board, represented by Mr. Browne. I would suggest that we might take this clause by clause and ask the various authorities to explain their amendments on each clause. I think the Committee would agree to that.

Lord *Teynham.*

10. My Lord Chairman, could I just point out one thing? It seems to me that one of the most important things in the Bill is that which appears under the Second Report of the Central Water Advisory Committee on page 1, and that is that the principal amendment of the law suggested by the Committee is that to provide that, in future, water undertakers can obtain new powers by order of the Ministry of Health instead of by Provisional Order. That appears to be one of the main alterations in this Bill?—That arises on Clause 1, my Lord.

Chairman.] On page 1, Clause 3, Procedure.

Lord *Teynham.*] I only point that out, my Lord Chairman, because it appears to be one of the main alterations in the law.

Chairman.

11. We shall come to that, and you will explain it, will you, Mr. Armer?—Yes, on Clause 1. (Mr. *Hill.*) The first four amendments may be grouped together, leaving out "companies or" or "company or"; they are purely drafting amendments; they were suggested to us by one of the Associations and we agree that they are desirable.

Chairman.

12. That is to say, page 1, page 2; all the amendments on pages 1 and 2?—Yes, my Lord; I can add the fifth one, line 24; leave out "the proprietors of." That is another drafting amendment, although it is not connected with the preceding four. Those five amendments can be regarded as purely drafting. They have been suggested, and we agree that they are desirable.

Chairman.] Page 1, line 17, leave out "companies or." On page 2, the next two amendments are the same. In line 24, leave out "the proprietors of"; page 3, line 28 leave out "or any." These are explained to us to be all drafting amendments. Is it your pleasure that they be agreed to?

(*The same are agreed to.*)

27° *Junii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne,
Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales,
Mr. Arthur Collins, Mr. J. F. Haseldine, Sir Geoffrey Cox, C.B.E.,
Captain C. W. Ellen, Mr. T. G. Seager Berry and Mr. A. B. E. Blackburn.

Witness (Mr. *Hill*): The next amendment is: line 29, at end insert "or dock." That is also drafting. It is in consequence of a definition of "Navigation Authority" which we put in at a late stage. That is a drafting amendment.

Chairman.] Page 3, line 29: insert "or dock." The question is, that the words be here inserted.

(*The same is agreed to.*)

Chairman.

13. Line 39: leave out "five" and insert "two." Will you explain that?—That is not drafting, my Lord. (Mr. *Armer.*) The provision in the Bill is five shillings, and it has been represented to us by one or two of the Associations that that figure is excessive, because, in other corresponding enactments, for instance the Gas Orders and Electricity Orders, in one case it is two shillings and in the other one shilling, and the Ministry thought that two shillings would be a reasonable figure.

14. They think that two shillings is enough?—Yes.

Chairman.] The question is that two shillings be substituted for five shillings; leave out "five" and insert "two."

(*The same is agreed to.*)

Chairman.

15. Then page 4, line 15, leave out "or board" and insert "board or authority"?—(Mr. *Hill.*) That is a consequential amendment on a last minute alteration in the Bill before it was introduced; it is purely verbal; it is consequential drafting.

Chairman.] The question is that the consequential amendment be agreed to: Page 4, line 15, leave out "or board" and insert "board or authority."

(*The same is agreed to.*)

Chairman.] Those are the Ministry of Health amendments.

Witness (Mr. *Armer*).] Would it be convenient that, at this stage, I should explain the difference between this clause and that in the Draft Bill?

Chairman.

16. Yes. It would have been really more convenient to have taken that first, I think?—It has been pointed out by a Member of the Committee that in the Central Water Advisory Committee's Report they point out that perhaps the most important amendment in this Bill is in Clause 1, where it is proposed to enable water undertakers by Order instead of Provisional Order to obtain certain powers. The clause, in essence, re-enacts the Gas and Waterworks Facilities Acts, 1870 and 1873, and also, so far as water supply is concerned, Section 303 of the Public Health Act, 1875. Under those enactments, water undertakers can now obtain power by Provisional Order for certain things which do not include compulsory powers; they can do, by agreement, things under those enactments. We have found, by experience, that the number of Provisional Orders which were opposed under those enactments is very small indeed. Out of 61 Provisional Orders, under the Gas and Waterworks Facilities Acts, only four have been opposed in the House; the other 57 have gone through unopposed, so it has been suggested by the Central Water Advisory Committee, and the Ministry agree with that view, that where there is no opposition to such proposals, the Order should be made by the Minister without reference to Parliament. Where there is opposition, and you will see that the clause provides for notice to everybody who is likely to be interested, the suggestion is that the Order should be Provisional, as it is now under the existing law.

Mr. *Hill.*] May I add to that, as Mr. Armer was not in the previous Bills which have been dealt with by similar Committees, that when we were dealing with the Public Health Bill two years ago, we had exactly the same question. Under the old law Orders constituting Port Authorities had to be Provisional, but, with the approval of the Committee and of Parliament afterwards, it was provided then that, in future, those districts should be constituted by an Order with a proviso, as here, that if any interested Council objected then the Order was to be Provisional.

Lord *Darcy de Knayth.*

17. Is there any difference in the provisions about notices?—Yes; the notices under this clause are wider than they are under the existing law.

Chairman.

18. We have dealt with the Ministry of Health amendments. We now come to the amendments submitted on behalf of the Central Landowners' Association. Of course, it is rather difficult to take these amendments, if we adopt them without a marshalled list, but I think we shall have to discuss the points of the amendments and put it in the hands of the draftsman on the Second Reading, to put the amendments into shape?—(Mr. *Hill.*) I was going to suggest this, that as few of the critics suggest alternative words, it would probably be for the convenience of the Committee, and save time merely to give a decision on principle and then leave the Ministry to get into touch with the particular critic and bring up agreed words for formal approval at a further short meeting.

19. I think that is what we did before?—Yes; that has been done before.

Chairman.] If the Committee would agree it; it is really quite impossible to do it otherwise. As Lord Teynham says, the amendments have only been in our hands five minutes, so we will take the principle and have them shaken out by Mr. Hill and his colleagues at our second shot.

(*The same is agreed to.*)

Chairman.

20. No. 7 is the next one on my Paper, "Amendments submitted on behalf of the Central Landowners' Association: Clause 1, page 4, line 6, leave out from "to" to the end of line 8 and to insert "cause notice of the proposed modification to be published in such manner as he thinks best adapted for informing persons affected"?—(Mr. *Marshall.*) I am instructed by the Central Landowners' Association to suggest this amendment for the consideration of the Committee. The Central Landowners' Association, as your Lordship knows, is a representative body of landowners in this country, particularly identified with rural land. Now this, my Lord, is a relatively minor point, but it derives additional point from the fact, as Mr. Armer has just explained, that some measure of further delegation of Parliamentary powers is involved in this clause. It is, therefore, all the more important that where an objector has reason to make objections to a Draft Order under this clause, and perhaps has been satisfied and has withdrawn his objection, from which it follows that if all the other objections are withdrawn, he would have no further opportunity of raising the point, that adequate provision should be made that where something new by way of modification is made by the Minister in the Order, proper notice should be given in order that that third party may have his opportunity of considering it and, if necessary, making objections. That is a principle which no one knows better than your Lordship is implicit in the Standing Orders of both Houses, and it is very important that there should be in what appear to be minor amendments no enlargement of the scope of the enactment. Now the clause says: "he shall require the applicants to give such additional notices, if any, as he thinks necessary for the information of persons who may be affected by the proposed modification." If you look at my amendment, it would read: "he shall require the applicant to cause notice of the proposed modification to be published in such manner as he thinks best adapted for informing persons affected."

21. This is rather a peculiar method of notice, is it not, to leave it in their hands?—It is. If I may refer to the Third Schedule of the Livestock Industry Act of 1937, a particular procedure is laid down, and we have these very same words dealing with a practically similar point. The reference is, the Third Schedule, Part 1, Clause 2, proviso (*b*) of the Livestock Industry Act, 1937. I would point out the very minor difference it makes. Under the Bill, as it stands, he need give no notice at all. I do not desire in the least to interfere with the Minister's discretion as to the manner in which the notice should be given, but I do desire, on behalf of the Central Landowners' Association whose members, after all, are the parties most likely to be affected, that there should be an obligation upon the Minister where the modification is, in his opinion, of substance and is likely to affect third parties, that that notice should be given. (Mr. *Hill.*) My Lord, I do not know whether Mr. Marshall attaches any importance to the expression "shall cause notice to be served," and whether he

27° *Junii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne,
Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales,
Mr. Arthur Collins, Mr. J. F. Haseldine, Sir Geoffrey Cox, C.B.E.,
Captain C. W. Ellen, Mr. T. G. Seager Berry and Mr. A. B. E. Blackburn.

means that the Minister shall himself insert it in the "London Gazette"? What I would suggest is, that the much more usual phrase is the one we have, that he shall require the applicants to give notice. If the absence of the word "publish" is causing any difficulty to Mr. Marshall, it will be quite simple to insert after the word "give" the words "and publish." Certainly there will be no objection to that. With regard to cutting out the words "if any," the Committee will appreciate that, in many cases, the modification will be of such a slight character that nobody could be affected by it; therefore, it is only entailing additional expense if some notices had to be invented merely to satisfy the conditions of the clause. I would suggest, my Lord, therefore, that after "to give" we should put "and publish," and that the Central Landowners' Association should rely upon the Minister not dispensing with all notices, unless he was satisfied that no one could possibly be affected by the modification he was making.

22. The final decision as to whether any notice shall be given lies in the hands of the Minister, not in the hands of the applicant?—It must lie with the Minister, certainly as we have it; it could not be left to the applicants, but the view was that the Minister ought to be trusted to say that this is such a slight alteration I am making that it does not affect anybody; otherwise, it might be said that he had to invent some notice simply for the sake of complying with the express direction of the sub-clause. (Mr. *Marshall.*) I would rather leave any question of words till later on, if I may say so. I have no desire whatever to interfere with the discretion of the Minister in deciding as to whether this is a matter as to which notice shall be given. On the other hand, I do not like these words in the clause, because I am anxious clearly to put upon him the onus of deciding that question. If the amendment is of substance, clearly notice ought to be given, and as the clause stands at present, it is a matter entirely for his decision. (Mr. *Hill.*) The clause, as it stands, puts the obligation upon the Minister to decide what notices, if any, are necessary. I submit that if we put in the words "and publish" after the word "give," we are providing all the safeguards that can be expected. (Mr. *Marshall.*) I am quite prepared to leave it in the Committee's hands.

Lord *Darcy de Knayth.*

23. Under the suggested amendment, if the Minister thought there was no person affected, he would not be required to give notice?—(Mr. *Hill.*) He would give no direction to the applicant in that case.

24. Under either?—Under either. You might say the amendment says, he shall cause notice in such manner as he thinks most adaptable. It might be said on those words that he has got to imagine some notice which might help somebody, although he is satisfied that nobody is affected.

25. In other words, in such manner as he thinks most adaptable for informing nobody?—For informing nobody.

26. So that it would not worry the Minister, would it? He would not have to give a notice?—But he has got to direct the applicants whether they are to serve any additional notices, and if so, what? That is the clause as we have it.

Lord *Kenilworth.*

27. I am rather in sympathy with the Central Landowners' Association in their desire to make sure that persons affected really are informed, and I am wondering whether a simple amendment to that effect would not be simply to insert "for the effective information"—insert the one word "effective"?—That raises the whole difficulty. Is the validity of a Provisional Order, or an Order, to depend upon what a Court in the future might say as to the Minister's decision with regard to "effective." I am afraid the discretion must be left with the Minister in some way or other, or else we must go through the whole category of persons to whom notices are to be served.

Major *Mills.*

28. Does not the clause, as drafted, only make the Minister responsible for telling the applicants to give notice whereas the Central Landowners' amendment throws upon the Minister th responsibility for deciding in such manner, and make it therefore more certain that really effective notice will be given. The

Minister does have more responsbility, and can do more for the applicants under these words than he can under the Bill as drafted?—I think not, because when the Ministry are making an Order, the first thing they do is to require evidence that all notices, which either the statute or the Minister requires to be given, have, in fact, been given. That is the every day practice

Mr. *James Griffiths.*] It seems to me that the suggested amendment to insert the words " and publish " meets the case quite fully.

Chairman.

29. Yes. What do you say to that, Mr. Hill?—That was my suggestion with all diffidence; I think that meets the case. (Mr. *Marshall.*) I do not wish to carry the point further. It appears to me, if I may say so, that on the clause as it stands the words " if any " are an encouragement to the Minister to decide that this is a drafting matter. How can he know very often? No notice need be given.

Lord *Darcy de Knayth.*

30. What would be the position if the applicant, when directed under this clause as it stands to give notice, simply did not do it?—The Minister would not then proceed any further with the Order for which the applicant was asking.

31. But supposing he did; supposing it was overlooked, would the Minister, in fact, have jurisdiction to proceed, or not?—He would have jurisdiction to proceed. As it is in the case of all Ministerial Orders, if the Ministry overlook the direction that something shall be published.

32. But there is no obligation upon the Minister to insist on its being published?—It is not usual for Parliament to require the Minister himself to publish in the " London Gazette " and in local newspapers these sorts of notices. The usual practice is to say that he may require them to publish. It is left to the Ministry to see that those requirements are complied with before they move in the matter.

Mr. *Edwards.*

33. The point seems to me to be this: If those persons having been directed to publish do not, in fact, publish and the Minister overlooks that, does it invalidate the Order?—I think it might invalidate the Order.

Lord *Darcy de Knayth.*

34. But would it, under the clause as it is now drawn? I rather think that it might not?—I think it would invalidate the Order under the clause as it is now drawn, unless, of course, somebody else who had an objection in consequence of which the Order became provisional and was then confirmed by Parliament.

Chairman.

35. If there are no more questions to ask, the original amendment was the one on the paper, page 4, line 6, leave out " to " in order to insert " cause notice of the proposed modification to be published in such manner as he thinks best adapted for informing persons affected." An alternative has been proposed: " he shall require the applicants to give and publish such additional notices." I understand the amendment is quite satisfactory to the Ministry of Health, but Mr. Marshall rather prefers something stronger?—(Mr. *Marshall.*) Yes, my Lord; I must express preference for my original amendment.

Sir *Francis Fremantle.*] Might I suggest putting in " to give and to publish in such manner as he thinks best adapted for informing persons affected," and continue the clause as it is? Then that would meet Mr. Marshall's main point " as he thinks best adapted " and conclude the Ministry of Health point, leaving the words " if any."

Mr. *James Griffiths.*] What is the difference between " best adapted " and " as he thinks necessary "? The way in which he thinks necessary would obviously be, in his opinion, the best adapted.

Sir *Francis Fremantle.*

36. Best adapted for informing persons affected. Was that not your point, Mr. Marshall?—(Mr. *Marshall.*) I think so.

Chairman.] What do you say to that, Mr. Hill?—(Mr. *Hill.*) I should have thought it made no difference, my Lord.

Mr. *James Griffiths.*] I agree with you.

Chairman.] I think we have got or have on the Notes the substance of the amendment. We do not want to insist upon the exact wording, because there

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

may be a drafting addition. We might leave that to the Ministry of Health, and Mr. Marshall, to agree upon the exact terms of Sir Francis Fremantle's amendment the next time we deal with Clause 1. Is that agreed?

(*The same is agreed to.*)

Chairman.

37. Now we pass to the County Councils' Association's amendments No. 6?—(Mr. *Hill.*) May I point out that the first paragraph is the one which we have already made at the request of the County Councils by our drafting amendments, so the first paragraph is covered.

Chairman.] Yes. The County Councils Association might tell us they are satisfied.

Mr. *G. N. C. Swift.*] I think there is still some ambiguity, because although the phrase " companies or " and " company or " on page 2 have been deleted, they still use the phrase in lines 9 and 10 on page 2, " any person or body of persons, whether incorporated or not." I do not quite appreciate why the word " persons " is used in subclause (*d*) of subclause (1) and why the words " any person or body of persons, whether incorporated or not " are used in lines 9 and 10 on page 2. I do submit there is some ambiguity.

Chairman.

38. What do you say to that, Mr. Hill?—(Mr. *Hill.*) We could take the words out, if necessary.

39. You could meet Mr. Swift, could you?—Yes.

40. If the Committee agree that, I think we might leave the exact drafting to be settled between the Ministry of Health and the County Councils Association?—Yes.

41. You might have brought your objection up on the first occasion when the Ministry of Health moved their objection?—(Mr. *Swift.*) I am sorry, my Lord. There is one further small point. We ask that a copy of the Draft Order should be deposited with the Clerk of every County Council under Section 280 of the Local Government Act, 1933, where it would be available for public inspection on payment of a small fee. It is usual, in Parliamentary Bills, and it would be as well, we submit, in this case? (Mr. *Hill.*) On that point, it is only adding to the expense. If the Committee will look at the middle of page 3, line 15, the people who are actually to get copies are: " the council of every county, county borough, county district and rural parish," and, moreover, at line 4, somewhere in the area a copy is to be deposited for public inspection. Now the offices of the County Councils which very often are miles away in a rural county, are not, as a rule, convenient places for inspection. The place for inspection ought to be somewhere in the immediate neighbourhood of the works proposed. I suggest, therefore, that the County Council are to get a copy, under line 15, for their own use. I suggest that it is an unnecessary expense to say that further copies shall be given to them to put on deposit?—(Mr. *Swift.*) My Lord Chairman, on that, on line 13 and lines 14 and 15, the County Council only get a copy of the notice " not later than the date on which the notice is so published, shall serve a copy thereof." The County Council does not receive a copy of the Draft Order?—(Mr. *Hill.*) I was wrong in that; they get a copy of the notice. (Mr. *Swift.*) I submit it is important that the County Council should get copies of the Draft Order and then they would also be available for public inspection. Frequently people come to the Offices inspecting Draft Bills which have been deposited under the Parliamentary procedure.

Chairman.

42. The Committee, I think, agree that the County Council have made out their case, and would like to have their amendment drafted in conjunction with the Ministry of Health and inserted in the Bill?—(Mr. *Swift.*) Thank you, my Lord Chairman.

Mr. *C. E. C. Browne.*] My Lord Chairman, on the second page of my Paper of Amendments, headed " Clause 1," the first set of amendments is disposed of by the Ministry of Health amendments. My amendments begin in the middle of that page—" In line 24 of page 2." The point, my Lord Chairman, is a very small one, but you will see that on page 2, line 24, there is a proviso that an Order providing for the amalgamation of two undertakings, or a sale of one undertaking to another undertaking,

shall not be made except on a joint application by the proprietors of both or all of the undertakings concerned. In the case of the Metropolitan Water Board, and of course of all other Water Boards there is nobody who is in the position of a proprietor in the sense in which that word is used in relation to a company. I suggest that the word "proprietors" is not really necessary in any case. I am sorry, I see there is an amendment already down.

Chairman.

43. All your amendments are withdrawn, Mr. Browne?—(Mr. *Browne.*) No. At the bottom of that page I say: "the applicants for an Order are required to publish notice of the application in one or more local newspapers circulating in their area or intended area of supply." As your Lordship may imagine, the number of local newspapers in the area of the Metropolitan Water Board is very large, but it cannot be said that any one of them circulates in the area. I suggest, therefore, that the word "local" should be left out.

Chairman.

44. This is a very old controversy which I have known for very many years, as to what is the best way of getting the news across the footlights, so to speak. I do not know what the Ministry of Health think about it? There is a good deal to be said for both sides, I think?—(Mr. *Armer.*) The Ministry would see no objection, I think, my Lord Chairman.

Viscount *Bridport.*] But small water companies would insert it in their local papers?

Chairman.] They would, yes.

Lord *Darcy de Knayth.*] You could put it in a local paper not circulating in the locality.

Mr. *James Griffiths.*] In some areas the publication of the local newspaper is of some importance. People have formed the habit of looking for notices of this kind in local papers.

Chairman.] I think the argument here is, that the Metropolitan Water Board people will probably read the Metropolitan newspapers and not the local ones. It is a very difficult thing to decide how best to get your news circulated.

Lord *Faringdon.*] My Lord Chairman, would not any of the national newspapers that are publishd be, so far as the Metropolitan Water Board is concerned, a local newspaper?

Chairman.] Would you say it is a national newspaper? I think "The Times" is a London local newspaper, is it not?—I do not know.

Chairman.] Shall we omit it, or leave it in?

Mr. *James Griffiths.*

45. Leave it in.—*Witness* (Mr. *Browne.*) It will place the Metropolitan Water Board and other undertakers, with a very large area to supply, in a position of considerable difficulty. Supposing that the Metropolitan Water Board is doing something on the Eastern Boundary of its limits of supply, it would literally comply with this requirement if it published a notice of that in a small local newspaper circulating somewhere on the opposite side of their district. If you leave out the word "local" it still must be a newspaper circulating in the area of supply.

Sir *Francis Fremantle.*

46. My Lord Chairman, the question is, it seems to me, that this only affects London. Therefore, the question is, why we should not amend the clause so as to say "in one or more local newspapers," or, in the case of the Metropolitan Water Board, "general newspaper circulating in the area." Would that meet the case?—(Mr. *Browne.*) That would entirely meet my case, because I am only speaking for the Metropolitan Water Board at the moment, so long as the Metropolitan Water Board were not placed in the position of having to select a local newspaper.

Chairman.

47. Mr. Armer, this has been dealt with before, and I cannot remember how it was dealt with?—(Mr. *Armer.*) The usual practice is "local newspaper."

Chairman.

48. I know, but this point has been raised before and it was met somehow, but I forget how?—I am not aware of that.

Mr. *Edwards.*] Might we have Sir Francis Fremantle's suggestion again?

27° *Junii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne,
Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales,
Mr. Arthur Collins, Mr. J. F. Haseldine, Sir Geoffrey Cox, C.B.E.,
Captain C. W. Ellen, Mr. T. G. Seager Berry and Mr. A. B. E. Blackburn.

Sir *Francis Fremantle.*] My suggestion was that you should leave the clause as it stands for all except London, and that in the case of the Metropolitan Water Board, you should put in the words "general newspapers".

Chairman.] Does that mean published in "The Times"?

Sir *Francis Fremantle.*] That is left to them. I do not suppose we need specify the "Daily Herald" or "The Times."

Lord *Kenilworth*: There are other areas than London where this would be effective. Take Derbyshire and Nottinghamshire; they all come under one area, the Derwent Water Board. It is a tremendously big area.

Sir *Francis Fremantle.*] Do you want the word "local" in?

Lord *Kenilworth.*] It is a local newspaper circulating within the area within which they carry on. I think it is a little special pleading to say that a notice inserted in the east would affect the west, or vice versa.

Sir *Francis Fremantle.*] If you leave the clause as it is you may simply get the clause carried out by, say, advertising in the Barnet Press, which nobody except those in the Hertfordshire and Middlesex areas would read.

Lord *Kenilworth.*] People are affected who should be notified. If the ordinary public do not read those papers, certainly the local Councillors read them?

Lord *Teynham.*] Could we, perhaps, say "in at least two local newspapers"?

Chairman.] That is a clause that is put in sometimes.

Lord *Darcy de Knayth.*

49. I take it that both Barnet and Woolwich are in your district?—(Mr. *Browne.*) Yes, both, my Lord.

Lord *Teynham.*] I would add to that: "at least two newspapers, one of which is a local newspaper."

Chairman.

50. "One of which should be published in the locality concerned"—how would that do?—(Mr. *Browne.*) I do not know what the locality concerned would be in relation to the Metropolitan Water Board, supposing that they applied for an Order which concerns the whole of their undertaking covering the whole or part of several counties. May I, with great respect, my Lord Chairman, say that the suggestion that Sir Francis Fremantle made, I think, may be a very useful one to consider, because in other points which I may have to raise on the Bill the Committee may think it proper to differentiate between the Metropolitan Water Board on account of the magnitude of its area, and other circumstances, from other cases; so that if your Lordship and the Committee thought fit to make a special provision with regard to the publication of advertisements relating to Orders applied for by the Metropolitan Water Board, I think it might be very helpful. In reference to the use of the words "local newspaper," I would draw attention to the fact that on page 17 of the Bill, Clause 13, line 27, there is a reference to a newspaper circulating in the locality, but then, as I have pointed out, that would be a very difficult phrase to interpret as applied to an Order relating to the whole of the undertaking of the Metropolitan Water Board.

Chairman.] If this point is arising again, and the discussion has led you to certain conclusions or ideas, perhaps we might leave it in the hands of the Ministry of Health and the Metropolitan Water Board to discuss it and see if they can evolve a clause or a part of a clause which would cover this point, because it is raised again and, perhaps, we might leave it to our Second Reading to see whether they can produce something satisfactory.

Lord *Faringdon.*] Would it, perhaps, meet the case, my Lord Chairman, if discretion were granted to the Minister to decide what newspapers were to take these publications?—(Mr. *Armer.*) I think that is imposing rather too much on the Minister, my Lord.

Chairman.

51. Shall we leave it, and see if they can settle it or give us some sort of suggestion? Would that meet you, Mr. Browne?—(Mr. *Browne.*) Yes, my Lord, entirely.

Chairman.] As it arises again, we had better settle it at once.

Major *Mills.*] I had rather in mind that the notice should be published in two successive weeks, not only once.

Chairman.

52. That might be a suggestion, too, yes. Is there any precedent for it?—(Mr. *Armer.*) It all adds to the cost. You will notice they have to publish in the London Gazette as well as the local newspaper; that is already two advertisements.

Major *Mills.*] But these undertakings are hoping to get something out of their proposition, and I think they ought to give the people concerned every possible notice and not regard the matter of expense in that way as being a factor on their side.

Chairman.] I think the opinion of the Committee is that the object of this is to let everybody get notice and make it as easy for people to get the information as possible. In regard to the Metropolitan Water Board, the difficulty is rather a considerable one; it arise two or three times in the Bill, so Mr. Browne tells us. Perhaps, therefore, we might ask them to give us a solution after having heard the various proposals made by members of the Committee.

Mr. *Edwards.*

53. Is it just a question of expense?—(Mr. *Browne.*) No, Sir; not entirely a question of expense. It really would be a very difficult position for the Metropolitan Water Board to be put into if they had to decide what was a local newspaper circulating in the area, and which was a proper newspaper in which to publish the notice. Supposing it was an Order of a character relating to the whole of the undertaking of the Metropolitan Water Board, it might follow that we should have to publish it in 100 local newspapers and that is not only an expense, of course, but a very serious expense.

Mr. *James Griffiths.*] It seems to me that this is a case in which we might use Sir Francis Fremantle's words for a previous clause, that the Minister might have to decide that the provision should be considered in the best way adapted, if some words of that kind could be adopted.

Chairman.

54. I think that is an excellent suggestion. Perhaps we might ask the Ministry of Health and Mr. Browne to take that as their main point in arriving at a solution?—(Mr. *Browne.*) I am agreeable.

Chairman.] I think it is very important that people should get the news.

Mr. *James Griffiths.*] I think it very useful to get the local newspapers in, because outside the Metropolitan area local newspapers are the sources in which people seek information of this kind.

(*The same is agreed to.*)

Chairman.

55. The next is page 2, line 41. That you have dealt with?—(Mr. *Browne.*) Yes.

56. Page 3, lines 15 and 16, is the next one?—The point here has relation to the authorities with whom a copy of the published notice is to be deposited by the undertakers who are applying for an Order. Again, this is a difficulty which arises particularly in the area of the Metropolitan Water Board on account of its magnitude. Supposing that the Metropolitan Water Board are applying for an Order for an extension of their boundary to take in a small parish on the east, we will say, of their limits of supply, that is a matter, of course, which does not concern every one of the authorities; it certainly does not concern those who are situate in the western portion. Our submission is that in view of the fact that the notice of the application has to be published in newspapers, and, in addition, notice of the application has to be published in the London Gazette, it should suffice, at any rate in the case of the Metropolitan Water Board, if they deposited with the County Council of each County within their limits of supply a copy of the published notice of the application. In addition, under the amendment which your Lordship decided upon on sub-clause (3), the County Councils would, I suppose, get a copy of the Draft Order. If they get a copy of the Draft Order, one wonders, perhaps, why they need also have a copy of the notice; but we should be quite prepared to give them a copy of the notice, only we do not think that we ought to be required to serve a copy of the published notice on the parish council of a parish far remote from any part of the area of supply affected by the application, so we propose that the only authority to receive officially a copy of the published notice should be the county council of each county within the Board's area of supply.

Lord *Kenilworth.*

57. It has already been asked that we should do more than serve a copy of the notice. We have been asked to serve a more elaborate copy on the County Councils?—(Mr. *Browne.*) The County Councils are to have a Draft Order, I understand, under the amendments agreed upon a little time ago.

58. Yes; but we have been asked to do something more already?—Yes, that is what your Lordships have done. Your Lordships have said that the County Councils, in addition to having a copy of the notice, are to have a copy of the Draft Order itself. My only query was as to why they wanted both. (Mr. *Armer.*) My Lord, I would suggest that this is a case, perhaps, for a special provision for the Metropolitan Water Board on the same lines as the local newspaper point? It will be a great hardship on the Metropolitan Water Board to have every rural parish in the Board's area involved in this matter.

Mr. *Medlicott.*

59. Could we not suggest that the rural parish or local district council directly concerned should be entitled to receive notice?

Chairman.

60. How would you view that, Mr. Browne?—(Mr. *Browne.*) Again, I am afraid that we should be in very great difficulty to know what rural parish was concerned. If it is a rural parish on the extreme limit of the Board's supply and then you take in another parish beyond that, does that affect the parish within the limits? There are all sorts of problems which arise if that form of words is used, I am afraid.

Sir *Francis Fremantle.*] May I suggest that we leave it to the Ministry of Health and the Metropolitan Water Board to bring forward the wording?

Chairman.] Is that agreed?

(*The same is agreed to.*)

Chairman.

61. That covers both those amendments, Mr. Browne?—(Mr. *Browne.*) Yes. The next and last point on Clause 1 is, page 4, line 20, leave out "shall" and insert "may if he thinks fit." That clause says that if there is an opposition to the application which is not withdrawn, the Minister before making an Order shall cause a local authority to be held "and any Order made by him shall be provisional only and shall not have effect until it is confirmed by Parliament." We submit to the Committee, my Lord, that the holding of a local inquiry should not be obligatory on the Minister, but should be in his discretion, particularly in view of the fact that if he makes the Order, whether with or without a local inquiry, it is only provisional and requires confirmation by Parliament. We propose, therefore, to leave out the word "shall" and insert "may if he thinks fit." I hope I may have the support of the Ministry to that amendment.

62. What do you say to that, Mr. Armer?—(Mr. *Armer.*) It is most unusual for a suggestion to be made that the Minister should have discretion in any case at all. I think the Central Water Advisory Committee were very keen on this inquiry when there was objection, and the Minister has followed their Report. If the Committee saw fit to change it, we should have no objection, but we should not propose it ourselves. (Mr. *Marshall.*) May I intervene on this point, my Lord, which is one to which the Central Landowners' Association attach the greatest importance? They made representations on the Draft Bill which did not necessarily provide for any inquiry at all. We have a letter from the Ministry of Health on our point amending the Bill in the form in which your Lordship now sees it. I hope most sincerely that the Committee will not alter it back.

Chairman.

63. I think this is rather a far-reaching proposal. Personally I think we should reject it?—(Mr. *Browne.*) May I say, my Lord, that if you feel any doubt about it I will withdraw the amendment?

Chairman.] Thank you, Mr. Browne.

(*The amendment is withdrawn.*)

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

Chairman.

64. What is your next amendment, Mr. Browne?—May I say that if your Lordship is leaving Clause 1 I have amendments for another body of persons which, unfortunately, only came in this morning. I think they are in your Lordship's hands now. It is a body known as the Associated Millowners.

65. They have not even been circulated yet?—No; I am very sorry; they only reached me this morning.

66. You suggest that you ought to be placed on the same footing as district councils?—Yes, my Lord, in Clause 1 and in Clause 13.

67. Is it the same point in Clause 13; is it the same point in the two clauses?—Yes.

68. I think we should really take this when we take Clause 13, because I have only had these amendments in my hands for about two seconds; other Members of the Committee have had them for even less time than that. Have you had time to consider them, Mr. Armer?—(Mr. *Armer.*) I have seen them, my Lord. I would point out that Clause 13 refers to a discharge into a stream where a millowner might be affected.

69. Let us take the point on Clause 13. It will arise if you put it in there, and if you do not put it in there it will not arise. Are there any other points on Clause 1?—(Mr. *Swallow.*) Yes, my Lord. Representing the Urban District Councils Association, I handed in a statement of amendments yesterday. It is headed "Statement of Amendments, Submitted on Behalf of the Urban District Councils Association." The amendments include a few points on Clause 1. (Sir *Geoffrey Cox.*) There are, too, my Lord, some amendments suggested by the Catchment Boards Association.

70. This is Paper No. 10. "Clause 1 (Power of Minister of Health to make orders authorising establishment of, and facilitating co-operating between, water undertakings). (*a*) Page 3, line 8, after 'days' insert 'excluding any part of the month of August.'"?—(Mr. *Swallow.*) Yes. This is quite a small point. As your Lordship knows, the procedure in regard to gas, water and electricity will now be made the same if Clause 1 of this Bill is passed. Prior to 1926, Electricity Orders had to be made and confirmed by Parliament; in the same way, Gas Orders, prior to 1920, had to go to Parliament for confirmation; but, in those two years, both Gas and Electricity Orders were brought into line with Clause 1 of the Bill, and departmental provision was made for granting powers to gas and electricity companies. Now, in both those cases, gas and electricity, Parliament, instead of prescribing the procedure to be followed by the department concerned, gave the department power to make rules prescribing the procedure and, in the case of the Electricity Orders and Gas Orders, the rules both provide that although applications may be made at any time of the year instead of only in the Autumn, as in the case of Provisional Orders, the period allowed for objections in both cases, 30 days compared with 28 days here, should not include the month of August, the reason being quite obvious, that it would not be fair to local authorities and other people particularly interested, that a company should deposit an application for an Order of this kind on the 1st of August when local authorities are generally in vacation, and that the date for objection should be the 28th of August. In those two cases, it has been recognised that August is a holiday month, and the Urban District Councils Association do strongly press that the same provision as applies to gas and electricity should be applied by the Bill to Water Orders. (Mr. *Swift.*) I should like to support that on behalf of the County Councils Association, My Lord.

71. Have you any objection to that, Mr. Hill?—(Mr. *Hill.*) I think this is establishing a precedent for Parliament, as distinct from a department, recognising that local authorities may properly cease to function during the month of August. I believe it will be creating a precedent to put it in the general legislation.

Lord *Teynham.*

72. I should have thought the idea of "staggered" holidays would cover that point?—(Mr. *Swift.*) It is very largely a matter of Committee meetings. As your Lordship knows, Committees usually do not meet during August.

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

Chairman.

73. I have observed it?—(Mr. *des Forges.*) I support that on behalf of the Municipal Corporations, my Lord. As your Lordship knows, Corporations do actually go on vacation in August, and it will probably be a great convenience not to have these notices published during that month.

Chairman.] I think if the Committee are in favour of encouraging holidays in August, we are prepared to allow this amendment. Is it agreed that on page 3, line 8, after "days" there should be inserted "excluding any part of the month of August"?

(*The same is agreed to.*)

Chairman.

74. The next amendment by the Urban District Councils' Association is on page 3, line 32, after "section," to insert: "containing a concise summary of the purposes of the application but without detailed particulars and without any reference to provisions of an ancillary subsidiary or consequential nature intended to give effect to any such purpose." Would you deal with that, Mr. Swallow?—(Mr. *Swallow.*) The reason for this amendment is that the clause as it stands on page 3, line 30, merely requires the publication in the London Gazette of a notice; and all that the notice, as I read the clause, needs to state is, first, that the company or local authority are about to apply for an Order under this Section, and giving the name and date of issue of a local newspaper in which the notice explaining the effect of the Order will be found. Imagine a case of a company known as the United District Water Company applying for an Order applicable to some area in the north of England. The London Gazette advertisement, if this clause remains in its present form, would merely be in these terms: "United District Water Company: the above company have applied for an Order under Section 1 of the Water Undertakings Act and a notice containing the full description and the objects of the application will be found in the Yorkshire Post of the" so and so date. That gives nobody any information at all of the purposes of the application. There is no guide even to the geography, and, as your Lordships know, many local authorities and innumerable companies rely on the London Gazette for information about these applications. (Mr. *Armer.*) I would point out that if you look at line 15 on page 3 all the local authorities likely to be affected will get a notice which states the general effect of an application, so I think local authorities are met by the clause as it stands. So far as property owners and industry are concerned, we have had representatives from them on the Central Water Advisory Committee, and they were satisfied that all they required was a pointer to where they should look for the notices setting out more fully what was proposed.

75. It seems to me that your procedure in this Bill is very cumbersome. They put a notice in the London Gazette and give a reference to another newspaper. It seems to me that it would be much more convenient to have it all together?—Procedure under this Section will be taken mostly by a small water undertaker and it was a question of the expense of all these advertisements. The local authorities, as I pointed out, get an actual notice, and the people who otherwise might be affected are landowners, the Property Owners' Association and the Federation of British Industries.

Chairman.] We are all rather inclined to think that legislation by reference is undesirable, and it seems to me that notices by reference are also undesirable.

Sir *Francis Fremantle.*] The only thing is that nobody ever thinks of looking at the London Gazette unless they happen to be municipalities and so on. If they do look at the London Gazette they do not expect to find any details; it is a mere catalogue; it is a mere index, and as a mere index I do not see that there would be any advantage to add to the details in this index. The London Gazette cannot contain an explanation, and it gives them a reference to the other paper.

Lord *Darcy de Knayth.*

76. Might I suggest that under this clause the index is not a very useful one, because it does not tell you whether it is the thing for which you are looking. It gives you no indication. You may have a thousand Orders made,

none of which affect you or are likely to affect you. Among those is one which appears no different from the others. They will all be Orders made under this Section?—(Mr. *Swallow.*) Might I add a word? I referred in connection with the earlier amendment to the practice in connection with gas and electricity. In both these cases the procedure is prescribed by Rules made by the Department, and those Rules require nothing like this provision here. They require the publication of the whole advertisement, as it appears in the local newspaper, in the London Gazette. On the ground of expense I am not suggesting that that course should be followed in this case, but that the London Gazette should have something more than the mere name of the company and the name of the local newspaper. That will give no guide to anybody as to what it is all about, but if the advertisement just contains a precise summary of the proposals, such as " To authorise the above Company to construct works in the parish of " so and so " and to supply water in certain parishes," that is all that is desired.

Chairman.

77. Would you say that it should resemble the long title of a Bill?—If the long title is sufficiently comprehensive, yes.

Chairman.] It is usually fairly comprehensive.

Major *Mills.*] It wants something to enable the locality to be identified.

Chairman.] Yes, and to tell you something about what it means.

Major *Mills.*] Something very brief.

Chairman.

78. Yes, of course. What do say to that Mr. Armer? Could you do something to that effect? Sir Frederick Liddell has drawn my attention to Standing Order No. 9 of the House of Lords. The House of Commons Standing Order is the same, " Not later than the Eleventh day of December there shall be published once in the London Gazette a short notice stating—(*a*) the title of the Bill "—this is in regard to Bills—" (*b*) the name and date of publication of each newspaper in which the full notice has been or will be published in accordance with Standing Order 8; (*c*) the offices at which copies of the Bill may be inspected and obtained mentioned in the full notice; (*d*) in the case of a Bill of the Second Class or of a Bill of the First Class, in respect of which plans are required to be deposited, the officers with whom plans. sections, and books of reference have been deposited in accordance with the requirements of Standing Orders 25 and 35." That is of course different from this, is it not? This is stating that they are about to apply for an Order under the Section and giving the name and date of issue of the newspaper. It is much more precise in the Standing Order. What do you say about incorporating the Standing Order?—I should be willing to accept the same provision which your Lordship has just read applicable to private Bills. (Mr. *Armer.*) We see no objection to that.

Chairman.] You will take Standing Order No. 9 in the House of Lords? We are very much obliged to Sir Frederick Liddell for having drawn our attention to it.

(*The same is agreed to.*)

Chairman.

79. What about the next amendment?—(Mr. *Swallow.*) The fourth amendment I cannot press in view of the discussion on Mr. Marshall's amendment.

80. Has anybody anything else on this clause?—(Sir *Geoffrey Cox.*) I have amendments for the Catchment Boards' Association.

81. That is number 12 in the bound volume?—The point here is that compensation water raises very important points of principle. The biggest fights that rage in these Committee Rooms are on compensation water, and we suggest that it should be made clear that where Parliament has itself fixed the quantity of the compensation water, Parliament itself should be the only body to alter the quantity. That is the first proposal. We have not suggested an exact amendment. We have merely propounded a principle which we hope you will accept. (Mr. *Armer.*) We would agree to that.

82. You agree to it?—Yes.

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN. [*Continued.*

Major *Mills.*

83. How does that tally with the words on page 7 of the Committee's Report? They draw attention to the fact that the Joint Committee on Water Resources and Supplies rather criticised the existing procedure and laid down certain considerations which they thought ought to apply both now and in the future. I have that in mind, because I happened to be a member of the Joint Select Committee which dealt with that question?—(Sir *Geoffrey Cox.*) If I may say so, it would not alter the principle. It is only a question of the tribunal which is to apply whichever formula is adopted. We say that when Parliament has fixed the quantity it should not be—with great respect to them—for the Ministry or anybody of less jurisdiction than Parliament to alter it.

Chairman.

84. What do you say, Mr. Armer?—(Mr. *Armer.*) We accept the amendment.

Chairman.] Is it agreed that we have something drafted for next time?

(*The same is agreed to.*)

Chairman.

85. You, Sir Geoffrey, and Mr. Armer and Mr. Hill will give us a suggested amendment?—(Sir *Geoffrey Cox.*) Yes.

86. Then the next amendment is on page 3, line 8. Omit " twenty-eight " and insert " forty-two "?—This raises a question whether twenty-eight days is quite long enough within which to make representations against one of these applications. Some of these bodies meet only once a month, and to have just a month and no more in which to make their objections would put them in a very awkward position. It would depend when their meeting came in the month. If it happened to come towards the end of the month, they would have no time to prepare their objections, and we suggest that six weeks should be given instead of a month. It is not a matter of tremendous importance, but it makes for administrative convenience.

87. What do you say to that, Mr. Armer?—(Mr. *Armer.*) Our view would be that twenty-eight days ought to be enough, especially with August left out.

Lord *Teynham.*] I cannot see any objection to it.

Major *Mills.*

88. I think it ought to be forty-two days. I am a member of a Catchment Board, and I think we meet every two months?—(Sir *Geoffrey Cox.*) If you have the shorter period everybody automatically objects, whether they really want to or not, just to keep themselves within the proper time; whereas if you give them proper and adequate time for consideration it may dispose of objections which in a sense are *pro forma* objections.

Chairman.] Do the Committee agree to allow that amendment?

(*The same is agreed to.*)

Chairman.

89. The next amendment is line 20, omit the word " and "?—(Sir *Geoffrey Cox.*) Here the point is quite a simple one. Under the Bill as it stands a copy of the notice has to be served on the Catchment Board only where it is proposed that the Order shall authorise the execution of works. Catchment Boards are interested in anything connected with, shall I say, water in their Catchment area. I had a case in my own experience where a company had an existing intake from a river of a size which was large enough to take a very great deal more water than Parliament authorised them to take. The next application to Parliament was not for new works, but for an additional quantity of water which would, of course, have had a tremendous effect on the flow of the river and all the interests of the Catchment Board. We suggest that a Catchment Board—the appropriate Catchment Board—should have a copy of the notice on every occasion, and in doing so we follow what was in the original draft of this Bill prepared by the Central Advisory Committee; only at some later stage there has been this restriction included in the Bill. (Mr. *Armer.*) We will accept that.

Chairman.] Do the Committee agree?

(*The same is agreed to.*)

Chairman.

90. Now the next amendment?—(Sir *Geoffrey Cox.*) The other amendments are merely consequential amendments.

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

91. Is the next one after line 20 consequential?—Yes, all the remainder are consequential.

92. And the amendments at lines 22 and 23 are consequential?—Yes.

93. Are the amendments to sub-clause 6 consequential?—Yes, they are also consequential.

Chairman.] Does the Committee agree to the following Amendments?

After line 20 insert " (ii) on the catchment board of any catchment area within which they carry on or propose to carry on their water undertaking; "

Line 21: Omit " (ii) " and insert " (iii)."

Lines 22 and 23: Omit " the catchment board of any catchment area and ".

Sub-clause 6, page 4, line 9: Omit " twenty-eight " and insert " forty-two ".

Sub-clause 6, page 4, line 11: Omit " twenty-five " and insert " thirty-nine ".

(*The same are agreed to.*)

Chairman.] Are there any other amendments on Clause 1? Is there anything further on Clause 1? Does any member of the Committee wish to ask any question on Clause 1?

Major *Mills.*] There was a question which we did not say anything more about, about whether the advertisement should be inserted for two successive weeks.

Chairman.] We asked them to take the shorthand notes and see whether they could not meet the Committee on one or two questions; especially on that question of yours. I asked the Ministry to consider that double alternative.. I think this is the best way because we have so many notices. It appears in other parts of the Bill, too, I thought perhaps they could help us by some concrete suggestion, taking into consideration everything that has been said by the Committee.

Major *Mills.*] Thank you very much.

(*Clause 1 is postponed.*)

ON CLAUSE 2.

Chairman.

94. Now we will pass to Clause 2. Perhaps the Ministry of Health will be good enough to give us any general explanation they may have?—(Mr. *Armer.*) This clause is virtually existing law, the Supply of Water in Bulk Act, 1934.

95. We will take the amendments of the Ministry of Health first?—(Mr. *Hill.*) We have none.

96. In regard to Clause 2 the County Councils are the first with amendments?—(Mr. *Swift.*) I think this is not altogether existing law. With regard to page 2 of the County Councils' amendments, the Ministry seem to have omitted something, when applying the existing law. It is not merely consolidation of the Supply of Water in Bulk Act, 1934, because they have left out the protection for Highway Authorities which that Act contains. That Act contains a provision that persons using the powers of that Act for the purpose of breaking up streets should obtain the consent of the persons having control or management of the street or bridge, such consent not to be unreasonably withheld. That has been omitted from the present Bill, and we ask that a similar provision should be made in this clause, or in Part VI, as may be appropriate. (Mr. *Armer.*) You will notice that on page 5 at the bottom of the page the sub-clause applies Parts V and VI of the first Schedule to the Act. Part V deals with the laying of mains, and Part VI deals with the breaking up of streets. Under those two parts a Highway Authority will have the opportunity of objecting to any proposal by a water undertaker whether for a supply of water in bulk or for any other purposes where the mains go outside the limits of supply. Inside the limits of supply the water undertakers could break up streets in the normal way. We suggest that in this clause that procedure would be appropriate for bulk supplies as well as for the general carrying on of water undertakings. (Mr. *Swift.*) The powers of supply may involve very much larger works than the ordinary small local mains. If you would ask the Ministry of Health to give further consideration to that matter in conjunction with the Association, we could discuss the drafting provision to which Mr. Armer has referred, so that it could be reported to you as suggested before.

97. Very well, if you would take that course we should be much obliged?—

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

There is one further point on Clause 2. We ask that notice should be expressly sent to County Councils, and I understand from the Ministry that they are prepared to agree to that.

Chairman.

98. You agree to that?—(Mr. *Armer.*) Yes.

(*The same is agreed to.*)

Chairman.

99. We will leave that to the Ministry to get something drafted.—(Mr. *des Forges.*) I appear for the Association of Municipal Corporations, together with my friend Mr. Swales, General Manager and Engineer of the Sheffield Corporation Waterworks, and Mr. Arthur Collins. With regard to this matter generally, might I explain the position of my Association, because we represent all the Municipal water undertakers of the country, or practically all, including all the great authorities. In addition to that we are also here on behalf of our consumers, that is to say, the inhabitants of the county boroughs and boroughs of the country. Our anxiety of course is to see that the water supply is maintained in our respective areas and for our very great number of consumers. On this point I have not very much to say except this, that of course the great water undertakers, the great municipal ones, are in their relation of suppliers of water in bulk practically always protected in the consents they have to obtain and the notices they have to give, because we have most of us got our own private Act sections, which do not require as a general rule these consents. Although this is moderately recent legislation, that is to say, the Supply of Water in Bulk Act, 1934, we wondered if the Committee could not consider it practicable to cut down some of those many restrictions in relation to giving a bulk supply, because very often a bulk supply is needed in a case of emergency. In a case of this sort it probably would take six weeks before one got through all the complicated procedure and that bulk supply could be given. I have a case in point where a bulk supply was needed by a town and they wanted it then; a drought was on and difficulties had arisen, and six weeks was no use at all; their necessities were immediate. My Association wondered if this Committee would consider whether there is not some way of rather limiting the extensive protection here for the time and notices—twenty-eight days' notice—and the consent of the Ministry of Health and so on, at any rate to put the authorities in a position to give emergency supplies without all this extensive rigmarole of notices and consents. I am speaking only generally on the clause. If the Committee will consider that at the proper time my Association will be much obliged.

100. Your point is that sub-clause (4) and the proviso to sub-clause (1) are so complicated that if you had a sudden drought and you wanted water in a hurry, you could not get it?—Yes.

101. You want something to provide for emergencies. Is that it?— That is really our idea. If it is an ordinary bulk supply that one small authority wants to give to another, the period of time of six weeks and so on does not matter; but we should like something that would meet the type of case the big authorities have, that is to say, power to give a bulk supply to another authority or to somebody else——

102. In the case of emergency?—Yes, or the big authorities do it without emergency. They can do it under the clauses of their own Acts. We thought we could not come to Parliament and ask Parliament to do away with the provisions in regard to that matter in so recent an Act as 1934. We thought the Committee was an appropriate one to consider the question of emergency bulk supplies.

103. This is a rather important point. I do not know whether the members of the Committee would like to ask any further questions before we hear the Ministry of Health? Perhaps we had better hear the Ministry of Health first? —(Mr. *Armer.*) It will extend the scope of this Bill rather to provide special drought provisions. I suggest if anything is done at all, it should be done as a separate clause in this Bill, providing for emergency supplies.

104. Yes. I do not think you meant a drafting amendment to delete the proviso, but you want the point considered?—(Mr. *des Forges.*) Yes.

105. Will you please consider the point with the Ministry of Health and adopt the suggestion of a separate clause?—Yes.

106. I think the Metropolitan Water Board have some amendments on this clause. The first amendment is at page 5, line 25: after the first " the " insert " statutory water "?—(Mr. *Browne.*) The first amendment is a purely drafting one. The clause relates to the giving of bulk supplies to statutory undertakers, and the persons who give those supplies may themselves be undertakers but not necessarily statutory undertakers. The clause, if I may say so, quite properly refers to " statutory water undertakers " where those persons are intended to be referred to except in one place, and that is in line 25 on page 5. I suggest that the words " statutory water " be inserted before the word " undertakers " in that line in order to avoid any possible ambiguity. I should not have thought that there would be any question about the Ministry of Health accepting that amendment. Perhaps your Lordships will hear.

107. Have the Ministry of Health any objection?—(Mr. *Hill.*) I did not catch what was asked for.

108. On page 5, line 25, after the first " the " insert " statutory water." Is that agreed?—The point has been sprung upon me, but for the moment I think it is all right.

109. Yes. Provisionally you agree. The other amendment is withdrawn from further consideration, I think?—(Mr. *Browne.*) Yes.

Chairman.] I have not any further notes of authorities wishing to propose amendments to Clause 2. Are there any other Clause 2 amendments? Are there any questions on Clause 2 which any members of the Committee would wish to ask?

(*Clause 2 is postponed.*)

ON CLAUSE 3.

Chairman.

110. Then we pass to Clause 3, on which the County Councils Association have something to say?—(Mr. *Swift.*) We ask to have a *locus* in that matter, as the highways may be affected. Also on Clause 3 I think it should be specified at the bottom of page 7 and the top of page 8 that on the analogy of the previous clause, Parts V and VI of the Schedule should apply with regard to the breaking up of streets outside the limits of supply of the water undertaking. That has already been put in at page 5 in connection with Clause 2.

111. I think you had better take that up with the Ministry if it is consequential, because we have nothing on the paper before us. You had better bring it up next time, because it is consequential?—It is bringing it into line with Clause 2.

112. It is a new thing. We have not got it on the paper?—No, that is not on the paper, but we ask for a *locus.*

113. Take it up next time with them. Let us have your first point now?—That is a similar point to that raised on Clause 2, that the County Councils who are highway authorities for many thousands of miles of the country, should have a right to object and be heard on these proposals if necessary.

114. What do you say to that, Mr. Armer?—(Mr. *Armer.*) The intention of this clause is to enable houses on the fringe of the limits of an undertaker to be supplied by the undertaker. I do not think the clause can extend to large areas of land, which might affect the breaking up of highways in the areas of County Councils and so on. If the highways have to be broken up for supplying those houses, the highway authority get the same notice as they do if highways within the limits of supply are broken up.

115-6. You say they would get the same notice?—When the roads are to be broken up they would get the notice. I do not think they ought to have any *locus* to object to an extension of water supply to fringe houses on the grounds that some highway might be broken up. (Mr. *Swift.*) This clause is not in terms limited to the fringes, as it is in private Acts of Parliament. In private Acts of Parliament those clauses are limited usually to where the boundary of the undertaking runs down the middle of a street, so that they can supply the other side. (Mr. *Armer.*) This is common form in local Acts, and it is also in the Public Health Act, 1936.

Chairman.] Are there any further questions?

(*The Committee confer.*)

Mr. *Swift.*] We withdraw this.

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

Chairman.

117. We pass again to the Metropolitan Water Board's amendments. The next is at page 7, line 40, after " Minister " to insert " The undertakers who obtained the Minister's Order shall be entitled at any time after the cesser of such rights or duties as aforesaid to remove all or any of the pipes or apparatus provided by them for the purposes of the supply of water to the premises in question and to execute all such works as may be necessary for or in connection with the removal of such pipes or apparatus and the disconnection thereof from other pipes or apparatus."?—(Mr. *Browne.*) This is the clause which provides that in certain cases statutory water undertakers may supply premises situated outside their limits of supply with certain consents and so on. Sub-section (4) of the clause says that " While undertakers are by virtue of an order made under Sub-section (1) of this section authorised to supply water outside their limits of supply, the enactments relating to their undertaking shall have effect as if the area specified in the order were within those limits." That Sub-section has the effect of enabling the statutory undertakers to lay the necessary mains for the purposes of the supply although the area in which they are laying mains is outside their statutory limits. Then the clause provides that the home undertakers, if I may so call them, may say to the supplying undertakers, " These premises which you are supplying are in our area of supply, and now we are going to supply them and you must get out." In that case Sub-section (3) of the clause says that the supplying undertakers, so to speak, the encroachers, are to be deprived of their rights and duties in regard to the supply upon receiving a notice, or within three months after receiving a notice, of the intention of the home undertakers to give the supply. From that moment your Lordship will see that all our powers cease, and therefore, although we have our mains in this area outside our statutory limits, we have no power to touch them. All I propose therefore is that as soon as we, the encroaching undertakers, cease to have the right to supply, we shall also have the right to remove our mains and apparatus and do anything necessary for that purpose. It is a point which has been overlooked. It is literally the position, that as soon as the home undertakers say, " We are going to supply these premises," the powers of the supplying undertaker cease. All we want to do is to have the right to remove our apparatus from the area. (Mr. *Armer.*) This follows the wording of the Public Health Act. The intention of Sub-section (3) is that the mains and pipes should go over from the home authority to the other, and that they should pay for them. If you look at line 36 on page 7, the words are " the undertakers or authorities giving the notice shall pay to them such portions of any expenses reasonably incurred by them " and so on. The idea of this sub-section is compensation for those pipes. (Mr. *Browne.*) With great respect, I do not interpret that as by any means being a provision for a transfer of the apparatus from one undertaker to another. It simply says that when the undertakers give the notice which results in the supplying undertakers not having any longer power to supply, the latter shall be paid a certain proportion of the expenses which they have incurred in coming into this area. I do not think it deals at all with the question of the apparatus, and moreover, the supply might have been given by means of apparatus coming from a different direction, which would be of no use at all to the home undertakers. The undertakers owning the apparatus would like to have the right to say, " Here is our apparatus; nobody wants it but ourselves; let us take it up." (Mr. *Hill.*) There are two questions. So far as the mains laid by the encroaching undertakers will still serve houses in question in the hands of the home undertakers, there should be no question of anybody removing them, and their costs should be provided for by compensation. So far as any pipes and works laid by the encroaching undertakers are useless to the home undertakers, it would seem to me to be logical that the encroaching undertakers should be entitled to remove those, but it is suggested that they ought not to be entitled to remove something which is going to be of use to the people who came in, but that they should leave the pipes there and get compensation for them. It seems a waste of public money for them to take up pipes and the other people to lay others.

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

(Mr. *Browne.*) I have not the slightest objection to either of the points Mr. Hill has mentioned. My object in addressing the Committee is that neither of those points is laid down in the clause. I understand the Ministry would agree to an amendment. (Mr. *Armer.*) Perhaps we might see if we could settle the clause.

(*The amendment is postponed.*)

Chairman.] Are there any other amendments on Clause 3 which we have not had? Are there any questions which the Committee would like to put on Clause 3?

(*Clause 3 is postponed.*)

ON CLAUSE 4.

Chairman.

118. The Ministry of Health have these amendments on Clause 4. On page 8, line 21, after "authority," insert "of the district in which the area is situate." The second is to add at the end of line 32, "(4) If the undertakers, after tender to them of an undertaking which satisfies the foregoing provisions of this section, do not before the expiration of three months lay the necessary mains and bring water to the area in question, they shall be liable to a fine not exceeding fifty pounds and to a further fine not exceeding five pounds for each day on which their default continues after conviction therefor."—(Mr. *Hill.*) The first amendment on page 8 at line 21 is purely a drafting amendment. (Mr. *Armer.*) The second amendment suggested by the Ministry, at line 32, is a provision imposing a penalty on the water undertakers if they do not comply with the clause. It follows a later provision in the Bill.

Chairman.] Is there any objection to these amendments?

(*The same are agreed to.*)

Chairman.

119. Then there is an amendment of the Metropolitan Water Board?—(Mr. *Browne.*) I do not propose to raise this amendment on this clause. I think it will arise more conveniently on a later clause.

120. You will raise it at a later date, will you?—Yes.

121. Are there any other points on Clause 4? Those are the only ones I have noted?—(Mr. *des Forges.*) I think you have a note from the Association of Municipal Corporations?

122. Yes, number 4, I think it is?—We have put in a note, but I do not propose to take up the time of the Committee by explaining that. Probably the Ministry of Health will be willing to let us know what their views are in regard to the point w have put. I do not wish to take up the time of the Committee on the point. It is in my note.

123. What have you to say on this question, Mr. Armer? It is not exactly an amendment, but it is a suggestion?—(Mr. *Armer.*) The suggestion is that if the main which serves an area under this clause were tapped, the tapping should be taken into account in assessing the income which the undertakers get from the main. It seemed to us that it depends upon what area the local authority demanding the supply set up in their application. It seems to be within their hands. Perhaps we could look at it further with the Association.

Chairman.] We might again leave them to look into it and for you to see them. Are there any other points on Clause 4? I have nothing down. Are there any other questions on Clause 4?

(*Clause 4 is postponed.*)

ON CLAUSE 5.

Chairman.

124. The following amendment is proposed by the Ministry of Health. At page 9, line 10, leave out "and forty-seven "?—(Mr. *Armer.*) Clause 47 of the Schedule provides that the responsibility for the communication pipes should be transferred to the water undertakers as from the date of the application of the Schedule. This clause provides that in the case of non-domestic communication pipes they should be transferred as from the date of the passing of this Act. The Ministry consider that the transference of communication pipes from industrial premises should go with the domestic communication pipes and pass over together.

125. It is more or less a consequential amendment, is it not?—Yes.

(*The same is agreed to.*)

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

Chairman.

126. The next amendment by the Ministry of Health is page 9, line 11, leave out "maintenance and vesting" and insert "and maintenance."—(Mr. *Armer.*) That is a consequential amendment.

(*The same is agreed to.*)

Chairman.

127. The Metropolitan Water Board have something to say on this clause?—(Mr. *Browne.*) This is a clause which for the first time in the case of many statutory undertakers will impose on them the duty of supplying water other than for domestic purposes. That is no novelty for the Metropolitan Water Board, because they have been under that obligation for many years. First of all, one minor point is to leave out the word "purposes" in line 37, on page 8. The usual phrase is, I think, "supply of water for purposes other than domestic." We leave out "purposes" the second time it occurs. We do not attach any importance to that. I mention it for Mr. Hill's consideration. (Mr. *Hill.*) It seems to me to be immaterial. (Mr. *Browne.*) I said that I would leave it to Mr. Hill's discretion. It is purely drafting. The second point is one of more importance. The Committee will see that there is a proviso to subsection (1) of the Clause which says that statutory undertakers "shall not be required to give such a supply if their ability to meet existing or probable future requirements for supplies of water for domestic purposes, without having to incur unreasonable expenditure in constructing new waterworks for the purpose, would be endangered thereby." I submit it is clear from the terms of that proviso that the question of the preservation of the water required for domestic purposes is only in relation to the initial giving of the supply for non-domestic purposes; that is to say, that once a statutory water undertaker has committed himself to a supply for non-domestic purposes, he must continue that supply, notwithstanding that it may be detrimental to the domestic purposes. As the Committee are very well aware, it is a principle upon which Parliament has, I think, always acted that if there is a shortage of water, domestic water must have the first call, and non-domestic water must be subordinated to the needs of those who want water for their very life. I suggest, therefore, that the consideration of the quantity of water required for domestic purposes should apply throughout the currency of any agreement for a supply for non-domestic purposes, and if at any time when any such agreement is in force there should be a shortage of water and the undertakers cannot supply both for domestic and non-domestic purposes, then the domestic purposes should have the priority. That is not, as I submit, the present effect of the Clause, but I think it would have that effect under my proposal, if you will add after the word "give" in line 40 on page 8 the words "or to continue to give." I do not know what the Ministry of Health have to say on that?

128. That would give them a right to discontinue a present supply, would it not?—Yes; in accordance with what I should regard as the invariable practice of Parliament.

129. If they have been giving a supply of water for non-domestic purposes, your amendment would give them the right to discontinue that supply?—If they have not enough water for domestic and non-domestic purposes, the principle upon which Parliament has always acted has been that the domestic purposes must have the first call.

130. Under subsection (2) the Minister is the judge of whether the undertakers are right or not in refusing to give a supply?—That is so, but that relates only to the initial giving of a supply.

131. If anybody has any complaint to make, he can go to the Minister?—Subsection (2) only says that the Minister is to decide whether the undertakers are "justified in refusing to give". I submit that means to commence to give.

132. If you get your amendment, subsection (2) would govern the situation?—I should want a similar amendment in subsection (2); I should also require the words "or to continue to give".

Chairman.] That is much more important, if you have your amendment, "or to continue to give", because you might suddenly be cutting off the supply. That there should be an appeal to somebody else to regulate it is much

more important than the other. That was my only point.

Mr. *Levy.*] I agree with you that the amendment proposed in line 40—"or to continue to give"—should be governed by subsection (2).

Chairman.

133. It would be. That is what I want to get quite clear?—I think that would be met by inserting the same words in subsection (2) as I propose in subsection (1).

Lord *Kenilworth.*

134. It appears to be reasonable?—(Mr. *Ellen.*) Would you allow me to have a word on this Clause for the Federation of British Industries? This Clause is one to which we attach the greatest possible importance. We recognise that domestic supplies must, of course, always have the first call. At the same time we do ask your Lordship's Committee to see that the Clause is so drafted that once we have made an agreement we know where we stand, so that we know that we are going to be able to rely upon a certain supply or that we are not. The Minister and the undertakers should, in our submission, consider all these matters when the agreement is entered into. The undertakers should be able to forecast, to some degree at least, the potential requirements of their district, and be able to say: "For a period of at least five years, or ten years" or whatever the period may be "you can rely upon getting *x* thousands of gallons of water per hour." If we are not to be in that position, the value of this Clause to us is really much decreased—in fact, almost negligible, because water, which is, of course, the lifeblood of the domestic consumer, is also our lifeblood. (Mr. *Haseldine.*) I should like to say something on this Clause on behalf of the British Waterworks Association and the Water Companies' Association. This Clause is going to put upon us a responsibility which hitherto we have not had, and that is this question of supplies to industry. For many years now the water industry has been very disturbed as regards the law of underground water. I should like to remind the Committee of various Reports which have been published on this matter. As long ago as 1925 the Advisory Committee of the Ministry of Health made a Report on the Law Relating to Underground Water, and they made certain recommendations, the principle of which was that an owner of land should not be allowed to sink a large well in an area that may have been prescribed by the Minister as one which should be reserved for purposes of public water supply, unless he got from the Minister a licence so to do. They had in mind the provisions whereby a water undertaker had to obtain powers from Parliament to sink a well and the fact that, as the law stands to-day, an industrialist may come along, buy the field next to a waterworks that has been established by Act of Parliament, sink a big well, and from it pump large quantities of water for the purposes of his own profit. The water undertakings of this country are prepared to accept this Clause 5, but they do feel in view of the fact that the principle of underground water protection was first mooted in 1924, was approved again by the Joint Committee of the two Houses, presided over by Lord Eltisley, and formed the subject of the first Report of the present Central Advisory Committee on Water (the Report out of which this Bill has arisen) that something ought to be done in this direction. We have communicated with the Ministry, and told them that we are prepared to accept this Clause subject to their producing some legislation on underground water. We have received the following reply: "The Minister notes the representations made by the Associations"—that is the British Waterworks Association, and the Water Companies Association, for whom I speak—"as to the introduction of a Bill dealing with protection of underground water supplies, and I am to say that he has under consideration the question of introducing such a Bill when Parliamentary time permits." I hope that this "Parliamentary time" will not be an indefinite period. I am obliged to you for allowing me to get this on the shorthand notes.

Chairman.

135. You are prepared to accept the Clause now, having had that assurance from the Ministry? Is that the position?—Yes. (Mr. *des Forges.*) My Association object most strongly to this proposal.

136. Which proposal?—The whole Clause.

137. Yes, you mean the Clause—not Mr. Browne's proposal?—No. My Association object most strongly to the proposal that the domestic consumer should not have the first call on the water supplies. I did hope that in the early stages the amendment put forward by Mr. Browne, which would have gone some way to assist to meet at any rate the points that my Association have, might have been accepted, because we feel that this proposal goes to the whole root of the subject of water supply. I would remind you that the Committee dealing with this subject, which produced the Report upon which this Bill is based, point out that this Clause is breaking entirely new ground. We have now heard what the Federation of British Industries say in relation to this question, but the Clause itself goes much further than merely the supply of water for works. It covers supplies of water for such things as watering gardens, and matters of that sort—questions which recently have raised very serious difficulties with many of the water undertakers. We suggest that this Committee should not in this Bill take away from the consumer the first right to water supplies of the country. I would remind your Committee that industry has always, or practically always, had the water it needs. There can be very few cases where industry has not been afforded the supply of water it requires; but we do feel that that must be secondary to the right of the individual to have in his house a supply of water for his domestic purposes. We hope for these reasons—I could go into it in much greater detail, but I do not wish to keep the Committee too long on this subject, although it is one of the principal points we have against the Bill—the domestic consumer will come first, and if any sacrifice has got to be made, if any choice has got to be made, then the choice must be in his favour, and the person wanting water, even for matters so important as industry should wait, should have to stand down to enable that supply to be given, in the interests of public health and sanitary conditions—in the interests of the health of the population. My Association feel that water is the lifeblood of the country, and that there should be a sufficient supply of water for the domestic consumer. For these reasons, we would suggest that no good case has been shown for this Clause. If, on the other hand, the Committee feel some doubt on that, we would remind them that this Clause is really bound up with the Report on Underground Water Supplies, and we suggest—it is rather different from the suggestion put forward by the British Waterworks Association—that if it is felt that this proposal is needed (we do not agree that it is) then it should stand over until the First Report of the Central Advisory Committee on Underground Water Resources is implemented in a Bill before Parliament. I hope very sincerely that this Committee will not, without very great thought, take away from the domestic consumer his first right to water, because it is one of the most serious problems and serious propositions that has ever been put before Parliament, in our opinion. If, finally, your Committee do not feel disposed to go to the length we suggest—although we hope they will—then we would ask you (I was going to say "as a last resort") to give very great care to the proposal put forward by Mr. Browne on behalf of the Metropolitan Water Board, and to give us the amendment to the proviso suggested by him on page 8. I do want to make it clear that I do not agree with that, because I do not agree in principle with the Clause at all, and I do hope that this Committee will not tear up practically all past legislation in regard to water supplies simply because it may be something novel, and it may be something that even a Committee, admitting it was new, thought would improve the supply of water in this country. It will not. It will endanger the domestic consumer. For that reason, I hope you will reject the Clause.

Chairman.] This discussion may take some time. We will adjourn now, and come back at ten minutes past two, and finish it.

27° *Junii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Mr. Arthur Collins, Mr. J. F. Haseldine, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry and Mr. A. B. E. Blackburn. [*Continued.*

(*After a short adjournment.*)

Chairman.

138. Mr. Armer, we have just been considering the rather difficult situation which arises by reason of the difference between London and the rest of the country. As you know very well indeed, the whole of the situation in regard to the government of London and everything else is quite different from any Local Authority and consists really of its own area. Similarly, the Metropolitan Water Board is a much bigger concern and serves a very different area from any other Water Authority in the country. It has occurred to us, or to some of us (we are not all here at the moment), that it would be perhaps desirable to take the Metropolitan Water Board out of the Bill and let them have their own Bill which they would, no doubt, come for in the ordinary way. It would simplify this Bill and probably make it much more comprehensible and useful to the rest of the country. I do not know whether you would be prepared to go into that suggestion and see whether it was feasible?—(Mr. *Armer.*) Yes. I rather imagined, My Lord Chairman, that the Metropolitan Water Board would like some of the provisions of the Bill; Clause 1, for instance, they might like, but we could discuss that with the Metropolitan Water Board if you wish.

139. You could go into that?—Yes, my Lord, we will, with the Metropolitan Water Board.

140. To see whether you could arrange it differently, because it seems to me it will have to have a sub-clause saying that the Metropolitan Water Board, however, will do quite differently from anybody else?—Yes.

141. Has Mr. Browne anything to say?—(Mr. *Browne.*) I have nothing to say beyond this, that my clients would welcome a new and improved Waterworks Clauses Act but, on the whole, they are inclined to think that the better course would be, perhaps, to leave them out of the Bill.

142. Would you and your colleagues consider with the Ministry of Health and their Advisers the whole point and bring it up next time?—If you please, my Lord.

143. I think, under those circumstances, we need not trouble the Metropolitan Water Board with their Amendments at this stage?—I am much obliged, my Lord.

(*The same is agreed to.*)

Chairman.

144. Now we will come to the question of domestic water and non-domestic water. There is just one point that I would like to make, Mr. Armer. We all know what domestic water is, and there is non-domestic water which may contain a great many things, it may be water for a factory, for a huge industry, where there is hardly any domestic water?—(Mr. *Armer.*) Yes.

145. On the other hand, it may be water for watering people's gardens or motor cars. There is a slight difference. I think when we are dealing with the water we should like to hear you on that subject, and how you propose to differentiate but beforehand, I think we must ask if there are any other amendments?—(Mr. *Swallow.*) I have two points of somewhat great importance, in the opinion of the Urban District Councils Association, to put forward, my Lord. The first is in regard to the proviso to subclause (1) of Clause 5. It enables the Water Authority to refuse a supply for trade purposes entirely " if their ability to meet existing or probable future requirements for supplies of water for domestic purposes, without having to incur unreasonable expenditure in constructing new Waterworks for the purpose, would be endangered thereby." Those words cover the majority of cases, cover all the big water undertakings, but they do not cover a large number of small Urban District Councils whom I represent, many of whom have no waterworks of their own, but rely entirely on some big neighbour to give them a bulk supply. Now, my Lord, those bulk supplies (you have been dealing with the matter under an earlier clause) are always limited as regards (*a*) total quantity, (*b*) minimum quantity, and (*c*) period. The Local Authority naturally make an agreement; they have made these agreements in innumerable cases to meet the future requirements, so far as they can see them, of their area.

27° *Junii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne,
Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales,
Mr. Arthur Collins, Mr. J. F. Haseldine, Sir Geoffrey Cox, C.B.E.,
Captain C. W. Ellen, Mr. T. G. Seager Berry and Mr. A. B. E. Blackburn.

The difficulty is that what I describe as (*a*) and (*b*) are always inter-related. The supplying authority will say: " We will give you a million gallons a day if you will undertake to receive or pay for, say, three-fourths or two-thirds of that amount." What I want to suggest for the consideration of the Committee is, that in deciding whether or not the supplying authority should be called upon to give an exceptionally large supply for trade purposes, regard should not only be had to the possible need for the new works but to the liabilities which the supplying authority will have to undertake in conection with a bulk supply agreement if they give this large supply. To take a concrete case, supposing a big manufacturer comes along and says: " I want ten million gallons a day for my new factory which I am putting up in your district." First of all, the supplying authority may not be able to get that water at all, but they can go to their neighbour and say: " We want ten million gallons a day," and I suggest that the obligations which that new contract will involve should be considered before the Local Authority can be required to give the supply, and particularly (and this is a further point) that regard should also be had to the continuity of the new supply. For instance, in the case of new works, the Local Authority cannot put down new works designed for a short period; any new works they put down will be of a permanent character and will involve perpetual liability and maintenance, and a liability for a long period of loan charges. So I do suggest, in connection with any obligation of this kind, that regard should be had first to the obligation in connection with a bulk supply, and, secondly, to the possibility of the new demand not being of a permanent nature, so that if a new firm comes into the district and there is no certainty that the new demand will continue then the Local Authority should not be called upon to give the supply. (Mr. *Seager Berry.*) My Lord Chairman, I desire, if you will hear me, to submit, on behalf of the Sunderland and South Shields Water Company, that the Engineer and Manager of the Sunderland and South Shields Water Company has here a plan which shows the difficulties that will arise in the case of his Company if Clause 5 were allowed in its present form. It places an obligation upon the Water Company to furnish non-domestic supplies without, at the same time, dealing with unrestricted pumping by Industrialists. The Water Company desire to support very strongly the representation made by Mr. des Forges, on behalf of the Association of Municipal Corporations, that the whole consideration of this clause should be deferred until public legislation is introduced dealing with underground water. I hope your Lordship will allow the Engineer and Manager to put in the plan which shows the very great difficulties that will arise if this clause is allowed. May I put the plan round, my Lord?

Chairman.] Yes.

(*The plan is handed in.*)

Chairman.

146. I do not know whether the Committee want to go into the details of this at the present stage?—(Mr. *Seager Berry.*) I do hope you will allow us to show what the effect of this clause is, because it is, in the submission of this Company, which is a Company supplying half a million people, absolutely vital to show the difficulties in which they will be placed under this clause. This is an entirely new provision which the Ministry of Health are suggesting should be put forward. (*To Mr. A. B. E. Blackburn.*) I think you were a member of the Ministry of Health Advisory Committee on Water?—Yes, I was.

Chairman.

147. I think, Mr. Berry, that we really ought to deal with this point at a later stage, because, after all you are the only separate Company, I think, who has come here, and I should prefer to deal with it later, because, after all, we may not finish it to-day, and the procedure, as you know, is very often that we leave it to be discussed between the Parties and bring up another proposal. I think to go into such a particular situation now would, perhaps, be premature. I think that is the view of the Committee?—(Mr. *Seager Berry*) Would your Lordship, hear us at a later stage upon this point, because it is one of absolutely vital importance to this Company?

148. Yes. Just tell us what the point is. I am not going to stop you from being heard later, but it seems to be rather out of place at the present moment?—I understood that everybody who had a point on this Clause had raised it, and therefore your Lordship would desire to hear the point the Company has to raise at this stage.

149. No; we have not heard what the Ministry of Health have to say?—I thought that probably the Ministry of Health would desire to hear us before making a reply generally.

150. Very well. Do not let us go into detail?—No. (*To Mr. Blackburn.*) You were a Member of the Ministry of Health Advisory Committee on Water from 1922 to 1936?—Yes.

151. Who inquired into the whole problem of underground water?—Yes.

152. Will you explain to the Lord Chairman, by reference to the plan, the apprehensions which you feel in regard to this clause?—This plan shows one of the pumping stations of the Sunderland and South Shields Water Company. In red, within a distance of one and a half miles, there are no less than 10 industrial undertakings all pumping water from the same geological formation; they are under no restriction whatever. They can buy a piece of land and sink for water without any obligation whatever, and my Company consider that it is a very serious matter that we should be put under an obligation to supply water for non-domestic purposes unless there is, at the same time, some restriction put upon the unrestricted power that they have at present of pumping themselves. Most of these industrial undertakings who sink wells and put down plant do not put down the plant in duplicate; then, if the plant breaks down, they come on the water undertaking to supply them, and do not pay anything whatever for the Water Company supplying a stand-by supply. Our point briefly is this: We have been able to supply by agreement for non-domestic purposes for the last 70 or 80 years, without any interference whatever, and without the necessity to refer to the Ministry of Health. We have always managed to supply for non-domestic purposes, and we do object to a non-domestic supply being made compulsory and subject to a penalty as this clause provides.

153. I think you have made your general point very clearly. We are much obliged to you, but if we want to go into detail we will go into it at a later stage. We are rather taking the clause as it applies generally?—If your Lordship pleases.

Mr. *Edwards.*

154. I understood at the outset that we were told by the Ministry that there was nothing new in this Bill, and now we are told that this is entirely new?—(Mr. *Seager Berry.*) It is an entirely new provision, yes, so far as non-domestic supply is concerned. It is not in the water legislation; it is an entirely new provision, Sir.

Chairman.

155. Now, Mr. Armer, will you answer these various points? You might begin at the last one first, because that is the most important?—(Mr. *Armer.*) I quite agree. There are only one or two local Acts imposing conditions upon water undertakers to provide for trade purposes. The Water Acts usually provide that they may supply by agreement only; but in considering this clause the Drafting Committee took the view that if a water undertaker has surplus water, over and above what they require for domestic purposes, either existing domestic requirements or probable future domestic requirements, then they ought to supply that to trade on terms to be settled by agreement or determined by some arbitrator, and that the traders concerned ought not to be entirely in the hands of the water undertakers as to what they would charge. The Drafting Committee very carefully put in the proviso which you see in the clause, to make it quite clear that the water undertakers should not be under obligation if the domestic supply was not sufficient either now or in the immediate future; in other words that the clause is intended to provide that domestic supply should have the first drink. That is the whole genesis of the clause; but domestic supply having had the first drink the Drafting Committee took the very strong view that traders should have a supply

27° *Junii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne,
Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales,
Mr. Arthur Collins, Mr. J. F. Haseldine, Sir Geoffrey Cox, C.B.E.,
Captain C. W. Ellen, Mr. T. G. Seager Berry and Mr. A. B. E. Blackburn.

on terms to be agreed or, in default of agreement, determined by an arbitrator.

156. Excuse my interrupting for one minute, not on the question of merits but on the view of the object this Bill has. I think you told us at the outset that the object of this Bill was to codify the existing Water Law and that you did not wish to go into wide amendments which, of course, might easily be proposed. There are a great many things which have been recommended. What you intended to do, however, was to codify the existing Water Law and to bring in the Model Clauses which are in many Private Acts, and not actually in a Public Act, and not to amend the law in any important degree. You have told us now that there are only two or three Local Acts which have this provision, and you are now going to apply them to every Water Authority, so that are you not going rather wider than you at first suggested?—I quite agree; it is an important amendment of the law.

157. It is a very important amendment, and you have seen from the views which have been expressed that it is a very important amendment?—(Mr. *Hill.*) May I just draw attention to two small points, my Lord Chairman? I understand Mr. Blackburn to say that his Waterworks Company, or Local Authority, whichever it is, have always supplied industrial users in the neighbourhood. Therefore, they will not be affected in the least by this clause. The clause is intended, as I understand it, only to meet the cases where a Local Authority or Private Water undertakers have been unreasonable, either in refusing a supply or in charging exorbitant terms. The second point, to which I think perhaps attention should be drawn, is that the British Waterworks Association, whom Mr. des Forges represents here to-day, had two members——(Mr. *des Forges.*) I do not represent them. (Mr. *Hill.*) —on the Committee who settled the principle of this Bill and asked Sir Frederick and myself to draft it, so it must not be taken that the whole of the British Waterworks Association are against this clause.

158. Mr. Hill, the point is whether this is not an amendment of very considerable substance?—I think it is, quite fairly.

Chairman.] Exactly; I entirely agree.

The Parties are directed to withdraw and, after a short time, are again called in.

Chairman.] The Committee have given this matter very careful consideration and they have come to the conclusion that they would like to give it a little more careful consideration, so without any prejudice or making any statement as to what our decision will be (obviously it is not possible at the present moment), they would like to put it over to a future date, and then we should like to hear the Ministry of Health in full on the point. We should also like to hear, and this is important, others who have objections or desire to support the clause. We should like to get this very carefully thrashed out and to have every opportunity of making up our minds and deciding upon it.

On Clause 6.

Chairman.

159. We might pass on now to Clause 6. I think the Ministry of Health have got the first amendment, have they not?—(Mr. *Hill.*) Yes, my Lord; page 10, line 4, leave out "and together with," and, page 10, line 10, at end insert "they shall not cut off the supply of water until the dispute has on their application been settled by a court of summary jurisdiction." That is really almost a drafting amendment. If the water is cut off, the Bill says the expenses may be recovered "in the same manner" as and together with the water rate. It has been suggested to the Ministry that the undertakers need not be compelled to recover at the same time; the important thing is that it should be recovered in the same manner; therefore it is proposed to leave out those words.

160. It is practically drafting, is it not, Mr. Hill?—Yes, practically.

(*The same is agreed to.*)

Chairman.

161. Then line 6, leave out from "that" to "if" in line 7?—That is also almost a drafting amendment. The proviso says that they are not to cut off the water if within seven days they are given notice of a dispute. The amendment says that they shall not cut off the supply of water until a Court of

Summary Jurisdiction has settled the dispute. As the clause stands it rather suggests that if a dispute is once raised they are blocked for ever. Of course, that was not the intention; the intention was that the dispute should be settled by a Court and then they could enforce their remedies or not, as the Court might decide.

(*The same is agreed to.*)

Chairman.

162. Now, Page 11, line 5, at end add " 6. In this section the expression ' water rate ' includes any additional charge payable to the undertakers in respect of a supply of water for domestic purposes within the meaning of that expression as used in the enactments relating to the undertakers "?—(Mr. *Hill.*) Perhaps this is almost drafting, my Lord. It makes it clear that the expression " water rate " in the clause means the water charges which are often imposed, say, in respect of a second bath.

(*The same is agreed to.*)

Chairman.

163. On my list I have only got the Metropolitan Water Board and we are not going to deal with that for the moment. You are leaving that, are you not, Mr. Browne?—(Mr. *Browne.*) If your Lordship pleases.

On Clause 7.

Chairman.

164. Then, on Clause 7, I think the Ministry of Health begin? Page 11, line 11, leave out " county borough or county "?—(Mr. *Hill.*) That is pure drafting.

Chairman.] Is that agreed to?

(*The same is agreed to.*)

Chairman.] Has anybody else put in an amendment on Clause 7? I am sorry; I have not got the amendments marshalled, so I must ask everybody.

(*There is no response.*)

On Clause 8.

Chairman.

165. On Clause 8, the Ministry of Health has the first amendment?—(Mr. *Hill.*) My Lord, I think that is fairly described as drafting, and also the next two on line 20 and line 21.

166. Those are all drafting amendments?—Yes.

Chairman.] The first amendment is: Page 12, line 3, leave out " their limits of supply " and insert " the limits of supply of the undertakers." Is that agreed?

(*The same is agreed to.*)

Chairman.] Then line 20, leave out " such." That is agreed. Line 21 leave out " as aforesaid " and insert " entitled to make an application under sub-section (1) of this section."

(*The same are agreed to.*)

Chairman.

167. Now, Mr. Hill, will you go on with the next, line 32, at end add —" (6) Any application which can be made under this section by the Council of a metropolitan borough may be made also by the London County Council "?—(Mr. *Hill.*) The one on line 32 is not drafting. Under the clause as it is drafted the people to make an application in London would be the Council of the Metropolitan Borough and the London County Council suggested that they should have a concurrent right to make an application, and these words are intended to give them that right. (Mr. *Browne.*) Your Lordship will observe that if London does not come into the Bill the amendment is not needed. (Mr. *Hill.*) As Mr. Browne points out, if the Committee makes that amendment we would ask them to make it conditionally on London not coming out altogether.

(*The same is agreed to.*)

Chairman.

168. That is Clause 8. Now we come to the Federation of British Industries, if you please?—(Mr. *Swift.*) I have a point for the County Councils Association on Clause 8, my Lord. I thought you were passing on to the next clause.

169. I have got the list of people who have amendments and I did say the Federation of British Industries. I have got the County Councils Association next?—It was a misapprehension, my Lord; I thought you were passing to the next clause. (Captain *Ellen.*) If you please, my Lord. The Bill, as it left the Drafting Committee, provided that in every case where twenty persons were

supplied with water by an undertaker they might move the Minister to revise the water rates and charges. For some reason, that has been amended in the Bill which is now before your Lordship, and in the case of statutory water undertakers other than Local Authorities, the Local Authority is placed as a buffer between the consumers of water and the Minister. Originally, in our conversations with the Ministry on the Draft Bill, as recommended by the Committee, we took the view that even twenty persons were rather excessive, and that it ought to be possible for any person whom the Minister considered to be really substantially interested, to move him to make variations. The amendment to the Bill now before your Lordship goes very much further than anything that the Advisory Committee contemplated, and we would ask you at least to put us back into the position in which the Advisory Committee Bill attempted to put us; in other words, that twenty persons may move the Minister to revise water rates and charges so long as they are consumers of the water of that particular authority. (Mr. *Armer.*) My Lord, the Ministry considered that where water undertakers supplied water outside their own district, a local authority outside its own area, or a Company was supplying water to several Local Authorities, that the Local Authority could be well qualified to look after the consumers' interests in that area, and to give to the Local Authority and twenty consumers the right to make application was rather overloading the clause.

170. It is really a question between the Draft Bill and your Bill, is it not?—That is so, my Lord, yes.

171. Have you anything to add, Captain Ellen?—(Captain *Ellen.*) Well, my Lord, I think that it is not a very satisfactory position for a large industrial consumer in a matter like this, which he considers of importance, to have no direct access to the Minister. I would like to make the point that the Minister, of course, is not bound to have regard to any such submissions as are made to him if he considers them frivolous. He will receive representations, and if they are not of a substantial character he is not bound to take any further action upon them.

(*The Committee confers.*)

Chairman.

172. The point is that the undertakers have got to be a Local Authority?—(Mr. *Armer.*) No, my Lord. Where the undertaker is a Local Authority 20 persons can approach the Minister.

173. Yes; and the Bill provides that 20 persons supplied with water by any undertakers (whether a Local Authority or not) could make the application. That is your point, is it not?—(Captain *Ellen.*) That is what I wanted; it is not what the Bill says. Where the undertaker is not the Local Authority, where it is, for example, a Water Company, then the Local Authority must take the initiative.

174. Then the Local Authority has got to act?—That is so.

175. And the 20 persons cannot act. So what it comes to is this, that the Local Authority is to act in every case; if the Local Authority is a Water Supplier then 20 persons can act?—That is so. (Mr. *Armer.*) That is so.

176. And your point is that you want to have the 20 persons to be able to act against the Local Authority or against the statutory undertaker?—(Captain *Ellen.*) In any case, whether it is a Local Authority or a Company.

177. But 20 persons should be able to take proceedings in all circumstances?—That is so, my Lord.

Mr. *Edwards.*

178. May we ask the Ministry why they felt it should apply in one case and not in another?—(Mr. *Armer.*) We made the alteration on the representation of the British Waterworks Association, as a matter of fact. They submitted to us that it was unnecessary to have 20 consumers making an application where the Local Authority could act for them. In a Company's area the Local Authority is always looking after the Water Company.

179. But is it not the case that the 20 persons in trying to persuade the Local Authority to act for them may have to convince 20, 30, 40 or 50 people to agree with them? I cannot see that it is quite just that it should apply in the one case and not in the other.—(Mr. *Haseldine.*) My Lord Chairman, would

you hear the water undertakings? I represent the British Waterworks Association and the Water Companies Association?

180. Yes?—We felt that in the case, where a supply is afforded by a Company, the Local Authority have by law to receive from that Company every year a copy of that Company's accounts; they also go to the County Council. The Local Authorities do go very carefully through those accounts and see whether there is a case for asking for a reduction in the water charges. We, therefore, are of opinion that it is quite redundant to allow a body of consumers, possibly a very lively Ratepayers Association, who do not have copies of the Company's accounts, to be able to file an application for an alteration in their charges. It was for that reason that in connection with Companies we asked the Minister to make the alteration he has made; that is to say, that the Local Authority are the proper person to take the Company up for a revision of charges; but where the water supply is provided by a Local Authority, obviously it must be a body of consumers who have to take the point. (Captain *Ellen.*) On that argument, my Lord Chairman, I would like to point out that the point the British Waterworks Association has taken is to put the Local Authorities into the shoes of the Minister. The Local Authority decide of their own knowledge from the accounts of the Company that no alteration should be made; the Minister cannot increase or decrease the charges. I think it is the intention of the clause that the Minister should be the arbiter in both cases. I think 20 consumers ought to have the right in any case to require a supply.

181. It is page 10 of the Draft Bill, is it not?—(Mr. *Hill.*) Yes.

(*The Committee confers.*)

Chairman.] Is it the opinion of the Committee that we should recommend going back to the Draft Bill?

(*The same is agreed to.*)

Chairman.

182. The opinion of the Committee is to take Clause 8 of the Draft Bill; that is to say, omitting those words which the Federation of British Industries have drawn attention to. I think those are all of your amendments, Captain Ellen?—(Captain *Ellen.*) Yes, my Lord. (Mr. *Swift.*) It is stated in our representations that the rights that the County Councils already have under the Water Undertakings (Modification of Charges) Act, 1921, to apply direct to the Minister for reduction for charges, are taken away by the supposedly Consolidating Bill. It is a fact, my Lord, that many County Councils (and I speak particularly of my own Council in Hertfordshire and also of the Middlesex County Council and, I think, for others) do spend very considerable time with qualified accountants examining the Accounts and Balance Sheets of Water Companies, and they do, when these people are before Parliament, make representations that those charges shall be reduced, and, where provisions exist, also apply to the Minister of Health from time to time, to secure reductions. The same also appears in the case of Gas Companies. Now one County Council has, perhaps, four or five Statutory undertakers in its area, whereas a Local Authority, a small rural District Council, or a small Urban District Council, is not qualified to, and cannot afford to employ qualified accountants to deal with these matters. The County Council can, and they do in fact, exercise their powers of scrutinising these accounts with a view to applications being made to the Ministry. I see that the Ministry of Health are willing to allow the London County Council to make direct application for a revision of charges. I would ask, my Lord, that the County Councils generally should be preserved in their existing position of being enabled to make applications direct to the Ministry. (Mr. *Armer.*) I think the Ministry would be prepared to accept that suggestion, my Lord.

Chairman.] Is that agreed?

(*The same is agreed to.*)

Chairman.

183. The next amendment is: "Further, provision should be made in Sub-section (2) for county councils to receive direct notice of application made by other bodies or persons." Are you

prepared to take that Mr. Armer, the second amendment of the County Councils Association?—(Mr. *Swift.*) My Lord Chairman, that is an important matter, because unless notice is given to us that people are going to make application to the Minister for revision of charges, there may be no possibility of functioning on a theoretical right. (Mr. *Armer.*) The application has to be advertised locally and published in the "London Gazette." I should have thought the County Councils, as Local Authorities, would be able to watch the "London Gazettes" for these things.

184. To find it out by the advertisement?—Yes. (Mr. *Swift.*) Some of us, of course, do make arrangements for our Parliamentary Agents to read the "London Gazette"; we cannot always be reading it ourselves; we have something else to do; but I do not see why we should not have notice. I do ask that we should have notice of these applications; I think it is only reasonable.

Chairman.] I expect it is rather tedious reading. The Committee are of opinion that the County Council should be spared this tedious job.

(*The same is agreed to.*)

On Clause 8.

Chairman.

185. Are there any amendments on Clause 8?—(Mr. *des Forges.*) Yes, I have a point. It is in my memorandum. The point is quite short. It is on the proviso to Sub-section (1) of Clause 8. The wording in the proviso is that nothing allows the Minister to make any reduction in the company's rates and charges unless he is satisfied that it will not endanger their liability to pay dividends at a rate not less than the average rate on the paid up capital at which dividends have been paid during the last five years. My Association thinks that that is very restrictive, particularly on the powers of the Minister, and they suggest in lieu of that that in line 27 you should strike out the words "dividends at a rate not less than the average rate upon," and in place of those words make it read this way, "to pay a reasonable return upon the paid up capital." Then the proviso from line 38 to the end would be struck out.

186. Would you mind giving us the exact reference in the Bill?—On page 11, line 27, strike out the words "dividends at a rate not less than the average rate," and substitute "a reasonable return." What my Association feels is that that is better than having the stereotyped phrase that the Minister has to see that the company have the ability "to pay dividends at a rate not less than the average rate" for the last five years, which they feel would probably prevent a Minister from making what would otherwise be quite a reasonable revision of the water charges of the company. I have here Mr Collins, who will give you further details in relation to that matter if you should feel it necessary. (Mr. *Swallow.*) May I add on behalf of the Urban District Councils Association that we desire to support that amendment very strongly, for this reason? Water companies do not incur the bulk of their capital expenditure annually but generally in large sums at substantial intervals. For example, in the case of gathering grounds, they might lay a new pipe line every 15 or 20 years, or they might have a new reservoir for 20 or 30 years. Now the average rate at which they have paid dividends during the last five years may have been maintained at an unduly high figure by reason of their having delayed capital expenditure. Knowing that future expenditure is looming ahead, they might very well maintain their dividends at the maximum rate, and then apply for a large new reservoir involving substantial capital expenditure; and under the Bill as it stands, the Minister of Health would not be entitled to take into consideration the fact that the dividends have been maintained at too high a rate having regard to the forthcoming expenditure. These words, apart from the reasons which the Town Clerk of Rotherham gave, I think the Ministry of Health will agree, are almost common form. I do not know of a single case where a revision clause in a company's Bill in the last 20 years has had any other words than this reference to a reasonable return on the capital of a company.

187. What do you say, Mr. Armer?—(Mr. *Armer.*) The Minister followed the Drafting Committee in this, and I do not think there will be any objection to

the fetter on his discretion being taken away.

Major *Mills.*

188. Do the Ministry agree that the words, " reasonable return " are common form?—Yes.

Chairman.] Is it agreed that we allow the amendment?

(*The same is agreed to.*)

Chairman.

189. What is your next point?—(Mr. *Swallow.*) There is one more point on page 12, line 5. There you get a period of twenty-eight days after publication in which a local authority or any other person may object to the application. I would ask the Committee to agree that in this case also the month of August should not count in that. (Mr. *Hill.*) Ought not we for the sake of uniformity to put in the 42 days instead of the 28 with a consequential alteration of the 28 days in line 5, so as to make the Clause agree with Clause 1 of the Bill?

190. You have not got the wording of the amendment, have you?—(Mr. *Swallow.*) Yes. It is in my amendments. You simply add after the word " days " in line 5, the words " excluding any part of the month of August."

Chairman.] Is that agree? That is consequential. We took it this morning.

(*The same is agreed to.*)

Chairman.] Are there any other points on Clause 8?

(*Clause 8 is postponed.*)

On Clause 9.

Chairman.

191. We will take the amendments of the Ministry of Health first. Page 13, line 4, leave out " cess-pit " and insert " cess-pool." Line 16, leave out " such " and insert " statutory water "?—(Mr. *Hill.*) They are two drafting amendments.

Chairman.] Is it your pleasure that we agree to these amendments?

(*The same are agreed to.*)

Chairman.

192. Now the Central Landowners' Association have something to say on this clause?—(Mr. *Marshall.*) I have two relatively minor points on this clause, the first of which, however, is of some importance to those by whom I am instructed. The clause reads like this " No person shall," then skip to paragraph (*d*) " cause or permit any oil or tar, or liquid from a sink, drain, sewer, cesspool " that is going to be now—" boiler or engine, or other filthy liquid belonging to him or under his control "—these are the words I should like to emphasise—" to run or be conducted " into the various things which are mentioned in sub-paragraphs (i) and (ii). That is a very similar type of provision to that which one finds in private Acts authorising the taking of water from rivers, and especially in Acts of that type which contain, as they so often do, a well-known clause generally called " For prevention of pollution of the river so and so ", which applies the Rivers Prevention of Pollution Acts. I do not suggest that the words are precisely the same, but the point is the same, and it leads me to my amendment, which is that on Clause 9, page 13, after line 16 you should insert some such words as the following: " Provided that the reasonable use of manures or fertilisers for the purpose of agricultural horticultural or market garden operations shall not be deemed to be a contravention of any of the provisions of paragraph (*d*) of this sub-section ". The works I have in mind in paragraph (*d*) are not, of course, things which are to be allowed to escape from a sink, drain, sewer, cess-pool, boiler or engine, but " cause or permit to run or be conducted ". If I could be assured here and now by the House of Lords that " filthy liquid " does not include, and cannot possibly include, manures and fertilisers, I should be perfectly content. But you will see that my proviso is merely intended to be protective. It follows from comparable provisions in private Acts, and those who instruct me would be happier if they knew that they could not be subjected to penalties under this clause for following what is, after all, a very common agricultural practice, (Mr. *Hill.*) I understand the Ministry would have no objection to this or similar words being inserted, if it could be left over for discussion of the precise words.

27° *Junii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne,
Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales,
Mr. Arthur Collins, Mr. J. F. Haseldine, Sir Geoffrey Cox, C.B.E.,
Captain C. W. Ellen, Mr. T. G. Seager Berry and Mr. A. B. E. Blackburn.

Chairman.

193. Then there is another amendment on Clause 9, page 13, line 12. After " in " insert " such "?—(Mr. *Marshall.*) That is quite a separate point.

194. You have taken it out of order. That is all?—That says that they shall not " cause or permit " various things " to run or be conducted into any depression in the ground or excavation in proximity to any stream, well or adit belonging to any such undertakers ". Those who instruct me do feel that surely the ingenuity of the draftsman might find something a little more precise than " in proximity to ". This is a very humble suggestion. I suggest that it should read " depression in the ground or excavation in such proximity to any spring, well or adit belonging to any such undertakers, that contamination thereof is reasonably probable ", or something to that effect; because " in proximity to " is, in my submission, somewhat vague. (Mr. *Hill.*) It is most refreshing to have critics who will suggest precise words to substitute. I understand the Ministry are quite prepared to accept this alteration.

Sir *Francis Fremantle.*

195. I want to be quite sure about this point. One does not want simply because they are running a small allotment garden or something of that sort, to be absolutely careless of whether they are polluting into an open sewer works. I am not sure that the complacency of the Ministry of Health on the subject is really quite justified. Do they think they can permit anything of this sort freely? If they do think so, of course they are responsible?—(Mr. *Armer.*) " The reasonable use of manures " would be, I think, sufficient safeguard.

Chairman.

196. You think those words are a sufficient safeguard?—We think so.

Chairman.] Is that agreed?

(*The same is agreed to.*)

Chairman.

197. Has the County Councils Association any points?—(Mr. *Swift.*) Yes. Here I think I can oblige the Ministry of Health by suggesting some precise words in Sub-section (1), paragraph (*d*), line 3, at the top of page 13. I suggest that there it should read " wilfully cause or knowingly suffer." I have a precedent for that in the Lee Conservancy Act, 1938; and the word " wilfully " is also used in line 15 in connection with paragraph (*e*).

198. " Wilfully do any other act "?—Yes, the inference being that if " wilfully " is used in (*e*) and not used in (*d*), (*d*) may create an absolute liability.

199. Yes, because you have the word " wilfully " in the same clause?—Yes.

200. What have the Ministry to say?—(Mr. *Armer.*) I think we should like to consider that point. It is mainly a drafting point.

201. Are you ready to accept it?—No, we should like to consider it.

202. Very well. That will be left till next time?—(Mr. *des Forges.*) May we also consider it, because it is a new point to us? It looks if the words are put in that they entirely destroy the effectiveness of the clause so far as my association is concerned.

203. We will postpone that until next time?—(Mr. *Swift.*) I would go on to point out that highway authorities in this country are responsible for nearly 150,000 miles of road. Of course it is necessary to dispose of the water from roads, and it is quite impossible for highway authorities to be absolutely certain that no liquid from any road drain is going to enter into a stream belonging to a statutory undertaker, or is going to enter into any depression in the ground or excavation in proximity to any spring. As you know, the common practice has been for hundreds of years for water from the highway to be drained off onto adjoining land or a stream.

204. You have no amendment down for this?—No, we have asked for exemption of highway authorities from the provision.

205. If you have not anything definite down before us, I think we might leave it over for consideration until next time?—It is in the printed paper which we have circulated to the Committee, on page 3.

206. There is no definite wording?—No, we simply asked for exemption for highway authorities from the clause. It is quite easily drafted if the principle is settled.

Sir *Francis Fremantle.*

207. If they do consider it for next time I hope they will consider the justification of careless local authorities who at the present moment do drain and allow this stuff to be drained into rivers and kill the fish?—It is extremely difficult to carry on the statutory obligations of maintaining highways, if the highway authorities are going to be under all sorts of very complicated restrictions on everything they do. It will shortly become almost impossible to carry on these things if we are hedged round with too many restrictions.

Chairman.

208. We had better consider this amendment next time?—(Mr. *Hill.*) May I say that I think it would be no use whatever discussing complete exemption of local authorities from this clause? I think possibly some sort of proviso might be devised, but, if it is to be complete exemption, I am afraid it will have to be a definite decision of the Committee that highway authorities are to be free from this obligation.

209. I think what the Committee feel is that you might discuss the point together, because there is not enough on the paper here. You want the highway authorities exempted, and the Ministry of Health do not seem to be able to concede that, but are ready to consider a proviso?—(Mr. *Swift.*) We will try to bring forward an agreed proviso.

210. Yes. Have you any other point for the county councils on this Clause? —There is one further point raised at the top of page 4 of the Association's representations that the water undertakers should notify local authorities and county councils of any streams which they allege to belong to them under the Clause, because if we know what streams do belong to them, we can then take steps not to offend.

211. Is there any objection?—(Mr. *Hill.*) We are told that the county councils take so much interest in the water supplies of their county that they must surely know what are the feeders to any reservoirs.

212. They ought to know their own streams. But still, perhaps it would be better for everybody to know which stream is whose?—(Mr. *Swift.*) It is not only feeders to reservoirs; it says " into, or into any drain communicating with, any spring, stream, reservoir, aqueduct or waterworks." We know what their waterworks are there. We do not possibly know all the streams belonging to them, or, what is more important, which they may allege to belong to them.

Chairman.] Perhaps you will discuss that with the Ministry of Health?

Lord *Darcy de Knayth.*

213. This applies to anybody who may " bathe, paddle or wash himself." He is liable to a penalty of £50 if he does not know. There is another interesting point: If you incite any animal to enter it. A good many of these reservoirs are adjoining covers with shooting. If a pheasant falls in, is the owner, in the interests of pure water, to leave it putrefying in the stream, or is he to send in a retriever and be liable to a fine of £50?—(Mr. *Hill.*) This is a very old law. Since 1847 it has been a punishable offence for any person to bathe in a stream belonging to the undertakers or to wash a dog therein or to cause a dog to enter it. It is not new.

Chairman.] Are there any other points on this Clause?

Major *Mills.*

214. I should like to raise a point. It may be purely my ignorance, but it says you must not do any of these things in any spring, stream, etc. " belonging to any statutory water undertaker." I am visualising water being taken by these undertakers direct out of a river. Does the whole of the river up to the source belong technically to the water undertaker?—(Mr. *Armer.*) No.

215. Then what do they do about pollution of things which enter the stream above their limit; upstream of their limit, 100 yards or one mile upstream, oil may come in; can they do anything about that?—No. Action could be taken by the local authority or county council under the Rivers Pollution Prevention Act.

Major *Mills.*] There is one other point. Paragraph (*d*) says: " any oil or tar from any boiler or engine." Does " oil " or " engine " cover washing motor cars and motor-lorries in streams, which is a most regrettable practice, but is not

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE,
Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES,
Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E.,
Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN.

unknown? If not, I think it would be wise to include motor cars and lorries being washed in streams?

Mr. *Rathbone.*] Simply because the law that one may not bathe in a stream has stood for a number of years does not make it any the more good law.

Mr. *James Griffiths.*] Have the National Fitness Council been consulted about this?

Mr. *Rathbone.*] I can understand it in the case of a reservoir, but in the depth of the open country if you find a moor and you find a pool on it and you bathe in it, you may be fined £50; in other words, you may dive into it, but you may not get out, because in getting out, you would be paddling.

Chairman.] Will you try to reconcile these somewhat divergent provisions? You are allowed to wash your motor car so long as you do not paddle in doing it. I think it wants carefully looking into. The suggestion of the Committee is that as you have heard from various members points which present some difficulty, that you should go into this next time? You might see if there are any other things more offensive than paddling humans which might be added to the list. Is there any other point on Clause 9?

(*Clause 9 is postponed.*)

ON CLAUSE 10.

Chairman.

216. The Ministry of Health has the first amendment on Clause 10?—(Mr. *Armer.*) On page 13, line 30, at end, insert: " (2) An agreement under this section with an owner of land shall, if it is so expressed therein, be binding upon, and enforceable against, his successors in title to that land." That amendment we are suggesting because of representations made to us by various associations. I think it is largely drafting.

Chairman.] Is that agreed to?

(*The same is agreed to.*)

Chairman.

217. Now the County Councils?—(Mr. *Swift.*) We are not pressing the amendments on Clause 10. (Sir *Geoffrey Cox.*) I have some amendments to present for the Catchment Boards' Association. This Clause deals with the drainage of land, a matter with which Catchment Boards are, of course, very intimately concerned, but there is one further point. Under the Land Drainage Act, 1930, the word " drainage " is defined to include the supply of water. Catchment Boards are, therefore, very interested in the contents, if I may so put it, of water courses, and, amongst other things, they are concerned in the purity of water that is available for drinking by cattle, and so on. Under this Clause agreements may be made, and quite properly made, for getting rid of foul water which the water company do not want. We suggest that there should at least be consultation with the Catchment Board before it is decided where that foul water is to discharge. That seems to us a not unreasonable suggestion. We ask for no more than consultation. (Mr. *des Forges.*) If it is convenient, I would like to point out that, representing my Association, I think we should object to the proposal of the Catchment Board. When one takes these areas—take the area of the Catchment Board for the River Trent, that runs down from the mouth of the Trent to somewhere far beyond Nottingham, with headquarters at Nottingham: It seems to me somewhat difficult if we are going to be put under the obligation as water undertakers of consultation with an authority whose headquarters are miles away from where we happen to be. I must object to it. (Sir *Geoffrey Cox.*) There is the Royal Mail. (Mr. *des Forges.*) You cannot consult by mail.

218. What do the Ministry of Health say?—(Mr. *Armer.*) Clause 10 refers mainly to the draining of limited areas of land, land belonging to the owner, and what he can do on his land, and I do not think it can carry with it drainage into rivers and that sort of thing which the Catchment Boards rather fear. (Sir *Geoffrey Cox.*) It is not a new point. It arose two sessions ago in the case of the Woodhall Spa Urban District Council. There the Urban District Council were the water undertakers; they felt very strongly about this Clause, and there was a demand there, not for consultation, but for approval; and they objected to the *locus standi* of the appropriate Catchment

Board, which was the Witham and Steeping Rivers. The matter was fought out and after great argument the *locus* was allowed, and eventually a clause was agreed with the Catchment Board. I mention that to show that Mr. Armer is not quite right, because Captain Bourne in another place happened to be sitting on the Court of Referees on that day, and he took strongly the point that if it is a question of draining the lands of A, they must go somewhere on to B's land or somebody else's, and surely that other person has a right to be consulted, particularly when he happens to be a public authority like a Catchment Board, whose duties include not only the discharge of water and the proper drainage of lands, but the conservation of water and of pure water for agricultural purposes, such as drinking water for cattle and so on?

219. You say there was a clause agreed?—It was agreed in that Woodhall Spa case. Actually it went further there than consultation. I think—but I am not certain about this—that the approval of the Catchment Board was required there.

220. Was that clause covering this point entirely?—Yes. I shall raise the same point on Clause 11, if I may jump on to that clause. Clause 10 enables the water undertakers to enter into an agreement with the owner of the land. Clause 11, subsection (2) enables them to do work on land which they own themselves, and it says they may lay down and construct " drains, sewers, watercourses, catch-pits and other works for intercepting any foul water " and so on. Both clauses are designed to deal with the same thing, the getting rid—and quite rightly so—of any danger in the area polluting the water supply—getting rid of those foul waters. All I ask is that those responsible for getting rid of them should at least just consult with the public drainage authority.

221. Mr. Armer, it may be very obtuse of me, but I understand a clause which would meet this point has been agreed with regard to the Woodhall Spa Act?—(Mr. *Armer.*) I gather that the Catchment Boards' Association or some interested parties objected to the Woodhall Spa Bill and got a protective clause put in.

222. Do you object to a similar clause being put in?—(Mr. *des Forges.*) May I be heard before you arrive at a decision?

223. Yes, go on?—The only point I wish to make is this: Surely this Bill, which is supposed to be a consolidation Bill, is not going to consolidate in such a manner that one isolated Act of Parliament which has a clause in it which was agreed between the parties is now going to be imposed on the water undertakers as a precedent for a consolidation Bill? I think that is going far too far, especially in the case of Woodhall Spa, a tiny little place. (Sir *Geoffrey Cox.*) I am sorry my friend pours scorn on Woodhall Spa. It is in the neighbourhood of Skegness I am told, which has many desirable attributes. I do say and suggest to the Committee that this is really not unreasonable. Statutory water undertakers are themselves in a sense public authorities; they have public duties; they are in some cases profit-earning authorities. I make no point about that. A Catchment Board is a public authority pure and simple which has no interest except that of safeguarding the catchment area entrusted to it by Parliament. I do submit that it is not really too much to ask the water company to have, I was going to say, a chat with the Catchment Board or at any rate, to drop them a note saying " this is what we are proposing to do, have you any comments to make? " Consultation does not necessarily mean face to face, and I should imagine any one would desire to be spared as much unnecessary work as possible; but if personal consultation is necessary, then I should say that it is itself a justification for the suggestion which I make.

Mr. *Edwards.*

224. Does not the Ministry of Health consider that there is an important point in this regarding public health?—(Mr. *Armer.*) We regard the suggestion on Clause 11 as a reasonable suggestion, that they should be consulted, but the normal sort of thing you get under Clause 10 is that the water undertaker arranges with the farmer to take his drainage to a sewer instead of letting it run over the land. Surely there is no need for the water undertaking to consult the Catchment Board about a thing like that? (Sir *Geoffrey Cox.*) I do not want to weary the Committee, but I must point out that Clause 10 is not limited to that extent. You can do anything under it. It says " the execution and maintenance by any party of such works as the undertakers deem necessary for the purpose of draining those lands or for more effectually collecting, conveying and preserving the purity of, water which the undertakers are " entitled to take.

27° *Junii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne,
Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales,
Mr. Arthur Collins, Mr. J. F. Haseldine, Sir Geoffrey Cox, C.B.E.,
Captain C. W. Ellen, Mr. T. G. Seager Berry and Mr. A. B. E. Blackburn.

Lord *Teynham.*

225. At the moment we have no amendment on the paper at all.

Chairman.] No, we have only the point whether we accept this suggestion and ask them to draft an amendment for next time or not. I do not know what the Committee want. As Sir Francis points out, this is hardly germane to this particular clause. What do you say to that, Sir Geofirey? You have not an amendment, but you have a proposal for an amendment. Does it really come into this particular clause, from the point of view of drafting the Bill?—Yes. It would be very simple—" Statutory undertakers may, after consultation with the appropriate Catchment Board." I do not think Mr. Hill or those brilliant people who assist him would find any difficulty in devising words when once the Committee have decided the principle involved, both on this and on the next clause, as to which I understand Mr. Armer agrees the appropriateness of consultation.

226. You have the same point on the next clause?—Yes, my Lord, Clause 11, sub-section (2). There I understand the Ministry agree.

Lord *Teynham.*

227. You are not asking for agreement?—No, consultation—that they shall just talk it over.

Sir *Francis Fremantle.*] That always delays matters, of course, unless it is necessary.

Major *Mills.*] The foul water has got to go somewhere. I do think that any reasonable body, such as a Catchment Board usually is, should be consulted. It would probably be a very short matter.

Chairman.

228. You are agreed on Clause 11, are you, Mr. Armer?—(Mr. *Armer.*) Yes.

Chairman.] Shall we ask them to discuss it again?

Mr. *James Griffiths.*] Have the Ministry any strong objection to its inclusion in Clause 10?

Chairman.

229. Do you mind it particularly?—We think Clause 10 would cover so many operations that are too small to consult the Catchment Board about.

Major *Mills.*

230. Will it not also cover a great many big ones too?—If the water undertakers wanted to do a big thing they would proceed under Clause 11, which is a much wider power altogether. (Sir *Geoffrey Cox.*) With great respect, that is not quite right, because Clause 11 deals with works which the undertakers are executing on their own lands. Clause 10 deals with works which the landowner is executing by the desire of the undertaker. They are both really dealing with the same sort of thing. One is on the Water Company's own land; the other is on somebody else's land by the desire and by agreement with and incitation of the Water Company. (Mr. *Armer.*) We are amending Clause 11, because the Association raised the point on Clause 10 that they could not do anything under Clause 10, so we are amending Clause 11 to enable the Local Authority to construct drains, sewers and so on for protecting their water supply, and it is under Clause 11, sub-section (2) as amended where they do all these things.

Mr. *Edwards.*

231. Does that satisfy the Catchment Board?—(Sir *Geoffrey Cox.*) If that is so, I do not follow why Clause 10 is retained in the Bill.

232. It is difficult for me to understand why public authorities should have any reluctance to consult if public health is even remotely concerned?—(Mr. *des Forges.*) The Catchment Boards are not public health authorities. There is the public health authority who looks after this matter. They are simply a drainage authority, and why, as I said before,

27° *Junii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Mr. ARTHUR COLLINS, Mr. J. F. HASELDINE, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY and Mr. A. B. E. BLACKBURN. [*Continued.*

should we as water undertakers be compelled to go to the Catchment Board, miles away, even for consultation, as Sir Geoffrey says? What is consultation? If I have not consulted in accordance with the law, then my agreement is bad and I may be liable to damages and all sorts of consequential results. I think the suggestion at any rate in Clause 10 should not be accepted. I hope the Committee from the point of view of the water undertakers will not accept it.

Lord *Kenilworth.*] The Catchment areas are there to catch good water and not bad, are they not? One can see that private lands can be very important and very large and, therefore, if it is wise to have this sort of protection in connection with urban water undertakings' own places, I think the same proviso should apply in the other case.

Chairman.

233. Shall we leave this and express the hope that the various parties may be able to come to an arrangement with regard to the Catchment Boards—they have come to half of it—which will be satisfactory to both sides? I think we must leave it at that?—(Sir *Geoffrey Cox.*) If you please.

Chairman.] I think we must clear the room now because there is not time to go on with another clause. I hope that finishes this clause.

(*The Witnesses are directed to withdraw.*)

Ordered: That this Committee be adjourned to Tuesday, 4th July, at 11 *o'clock.*

DIE MARTIS, 4° JULII, 1939.

Members present:

Earl of Onslow.	Mr. Edwards.
Viscount Bridport.	Mr. James Griffiths.
Lord Teynham.	Mr. Levy.
Lord Derwent.	Mr. Medlicott.
Lord Faringdon.	Major Mills.
Lord Kenilworth.	Mr. Rathbone.

The EARL OF ONSLOW in the Chair.

Sir FREDERICK LIDDELL, K.C.B., K.C. (Counsel to Mr. Speaker) attends the Committee.

Mr. G. R. HILL, C.B. (Parliamentary Counsel Office); Mr. I. F. ARMER, M.C. (Ministry of Health); Mr. C. B. MARSHALL (Parliamentary Agent) (Central Landowners' Association); Mr. G. N. C. SWIFT and Mr. H. H. KEEN (W. B. Keen and Company) (County Councils' Association); Mr. C. E. C. BROWNE (Parliamentary Agent) (Metropolitan Water Board and Bradford Corporation); Mr. H. E. SWALLOW (Parliamentary Agent) (Urban District Councils' Association); Mr. CHARLES L. DES FORGES (Town Clerk of Rotherham), Mr. J. K. SWALES, M.Inst.C.E. (General Manager and Engineer of the Sheffield Corporation Waterworks) and Mr. ARTHUR COLLINS (Financial Adviser to Local Authorities) (Association of Municipal Corporations); Sir GEOFFREY COX, C.B.E. (Parliamentary Agent) (Catchment Boards Association); Captain C. W. ELLEN (Federation of British Industries); Mr. T. G. SEAGER BERRY (Parliamentary Agent) (Sheffield Corporation and Sunderland and South Shields Water Company); Mr. G. D. HELLIWELL (Parliamentary Agent) and Mr. J. G. DREW (Town Clerk) (Brighton Corporation); Mr. A. R. BOUCHER (Solicitor) (Bristol Waterworks Company); Mr. L. J. H. HORNER (Parliamentary Agent) (Canal Association); Mr. A. B. WINSER (Parliamentary Agent) (Colne Valley Water Company and Rickmansworth Water Company); Mr. A. B. WINSER (Parliamentary Agent) and Lieut.-Commander WALKER (National Association of Fishery Boards), are called in and examined as follows:—

ON CLAUSE 5.

Chairman.

234. Mr. Armer, before you came in, the Committee had a discussion on Clause 5. You will remember what happened last time in regard to Clause 5?—(Mr. *Armer.*) Yes, my Lord.

235. The Committee (my colleagues will correct me if I am in any way misrepresenting them, because I have not a note of it) came to the conclusion that in this kind of Bill, which is a Bill mainly for codifying the existing law and not for amending it, this Clause would be scarcely appropriate, for more than one reason on which I need not enlarge at the present moment. On the other hand, I think we were all agreed that a Clause of this kind (I do not say this particular Clause) would be valuable to industrial undertakings, and indeed something of the kind is a necessity, but what we hope is that there will be a comprehensive reform of water legislation in the near future. The Committee feel that this Bill is a prelude to such a comprehensive reform. There are many other points, with which you are probably more familiar than any of us, in the difficulties of supplying water to agricultural undertakings, to industrial undertakings and for domestic purposes. Therefore, though we feel that we cannot allow this Clause, we make a strong recommendation and we shall include that in our Report to the Government, that a comprehensive reform and reorganisation of the system of water supply for all purposes in this country should be undertaken at an early date. I do not know whether you can give us any information with regard to the proposals for such a Bill?—My Lord, it is the intention of the Ministry to introduce such a general Bill at some time, and they have appointed a Central Water Advisory Committee with the object of advising the Minister as to what should

be done. We have had one report from them on what I call general legislation, and we are expecting another report. When that further report is received, the whole matter will be considered with a view to introducing a comprehensive Bill.

Chairman.] I think I need not say any more on that point at the moment, except that I think it is the unanimous view of the Committee (we cannot speak for our colleagues who are away, but we will ask them later when they get the shorthand notes if they agree with us) that a comprehensive scheme of water supply reform should be undertaken at an early date. After all, that has been recommended by more than one body. I think some Members of the Committee would like to ask a question or two on this point.

Mr. *Levy.*] Mr. Armer knows my views and has known them for many years now. I want to emphasise my view that this matter is urgent, and I quite fail to see the need for these continual Commissions and Reports and Inquiries, since you must have rooms packed with such Reports for the last 100 years. I often wonder whether the Reports of Commissions and Inquiries are not a means of side-stepping the issue instead of getting on with the job. I would like, for my part, to emphasise the urgency of it, and I fail to see why it should be necessary for another comprehensive report after so many reports have been comprehensively prepared and submitted to you.

Mr. *Rathbone.*

236. Might I ask Mr. Armer about the First Report he has had from this Departmental Committee of some kind, as I gather it is——?—It is a Committee representative of all the Departments concerned and all the interests.

237. Has that First Report had anything to do with the subject of this Clause 5?—No.

238. Not as yet?—No.

239. It does not mean to say that Clause 5 could not necessarily be referred to that Committee?—I gather this Committee have decided to cut this Clause out of this Bill, and it would be a suitable occasion for re-introducing the question in the comprehensive Bill.

Mr. *James Griffiths.*

240. Would the view we have expressed that the time is overdue for a comprehensive reform in this matter be conveyed to the Committee?—And to the Minister

Mr. *Levy.*

241. Does this Report include a geological survey?—No. We have a representative of the Department of Scientific and Industrial Research on the Committee

242. Or is it the intention, when you get this comprehensive report, to set it aside again while you have still another geological survey?—No. I say it is the intention of the Minister to introduce a Bill.

Mr. *Edwards.*

243. Is it true you have stacks of reports, as Mr. Levy suggested, and will they be of any value to the next Committee or to the present Committee that is sitting?—We have examined them all.

Chairman.

244. Are there any further questions? Have you anything further to say on the point, Mr. Armer?—Yes. Arising out of that decision, I think it will be necessary to put in the Schedule to the Bill a power to the water undertakers to supply water for non-domestic purposes.

245. Yes, I agree; I think that it would be necessary to include that in your code?—Yes. Perhaps we might bring up a Clause.

246. You will see to that, will you kindly?—Yes. (*Mr. des Forges.*) On behalf of the Association of Municipal Corporations, may I be allowed to say that we welcome the decision of the Committee, because we were very disturbed at this Clause going forward in its present form. But may I also take it, my Lord, that this decision also covers other Clauses in the Bill that are entirely new?

247. We will deal with them when we get to them?—If your Lordship pleases. I thought it would help us if we could know that now. (Mr. *Hill.*) Before the Committee starts, may I draw their attention to the revised print of amendments. I hope every Member of the Committee is not going to work on the

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER. [*Continued.*

last day's amendments, but on the second day's amendments, for a reason which I will explain.

248. This is Clause 11?—I am referring to the printed amendments which are headed "Second Day."

249. Yes?—The Committee will remember that on the last occasion some 12 or more memoranda were handed in which nobody had had time to consider.

250. But, Mr. Hill, this is Clause 11 you are dealing with?—Yes, my Lord.

251. May we finish Clause 5 first?—I thought you had finished.

252. No. We have not taken Clause 11 yet. May we finish Clause 5?—(Mr. *Seager Berry.*) It was not on Clause 5, but it was before your Lordships went on with your consideration of the Bill that I wanted to be allowed to say something to your Lordships—not on Clause 5 but before the consideration of the next Clause is begun.

253. May we finish Clause 5 first?—I beg your pardon, my Lord.

254. With regard to the last point you raised for the Association of Municipal Corporations, I understand the Association of Municipal Corporations agree with this decision?—(Mr. *des Forges.*) Yes, my Lord.

255. And there are other points they have to make at a future date on other Clauses?—Yes.

256. Am I to understand that the Association of Municipal Corporations agree with the Committee in thinking that a comprehensive scheme of water reform is desirable, if not overdue?—We agree, my Lord. We hope that we may be able to consult in relation to this legislation, and also we hope, my Lord, to bring it to a condition that it may be more or less agreed, but we must be consulted.

257. But you are in agreement with the Committee that the water legislation should be revised and altered and amended?—Yes, my Lord; we will agree with that, to bring it up to date; I will put it that way.

(*Clause 5 is struck out.*)

ON NEW CLAUSE 23.

Chairman.

258. Now I come to another point. You will remember at the last meeting of the Committee we had some discussion in regard to points raised by the Metropolitan Water Board. It became more and more apparent that the Metropolitan Water Board, though they agreed with certain Clauses—not perhaps entirely with the Draft—disagreed with others, and it became necessary to suggest that in each Clause there should be a subsection dealing with the special considerations put forward by the Metropolitan Water Board. We know that the situation in London differs entirely from the situation in the rest of the country, and it was suggested that we might take this Bill as a Bill dealing with the whole of the country outside London, like so many Bills have done, and that the Metropolitan Water Board's requirements should be met in a different way. It was suggested that at the time they brought in their next Bill those points could be dealt with in their own Private Act, because it would not apply to any other part of the country and that, therefore, the points which deal with the Metropolitan Water Board should be taken out of the Bill as it stands. I should like to know what Mr. Browne thinks about that first, and then what the Ministry of Health thinks?—(Mr. *Hill.*) In continuing what I was saying, I was going to say that in this new print which we prepared on Friday we endeavoured to meet as many as possible of the suggestions which had been put forward in the memoranda handed in by the various Associations, and, if the Committee will look at that new print headed "Second Day," they will see it includes a Clause put forward by Mr. Browne for that very purpose.

259. What is that Clause?—For excluding the Metropolitan Water Board.

260. On Clause 11?—It is on page 5 of the new print: "After Clause 22, insert the following new clause."

261. "23. Nothing in this Act shall apply to, or have effect in relation to, the Metropolitan Water Board or their undertaking as constituted for the time being."?—(Mr. *C. E. C. Browne.*) May I say that my clients, the Metropolitan Water Board, are content to accept that Clause and to be taken out of the Bill on the understanding, of course, that, if they should desire in the future to apply for powers of a similar character, not necessarily in the same

form, they shall not be told: "You cannot have these powers because you refused to have them when they were offered generally."

262. Of course?—Further, I am instructed to say that, while the effect of this Clause would be to take my clients out of the Bill, there is a possibility of alterations being proposed in the general law in regard to matters of large principle, such, for instance, as the conditions under which roads may be broken up, the question of rebates from water rates, and so on. Those are principles, any alteration of which might possibly react upon the Board, although they are not directly affected by the Bill, and it is possible that I might have to trouble your Lordship and the Committee with some observations on any question of that kind, but, subject to that, I think the acceptance of this Clause would save your Lordships a very considerable amount of time.

Chairman.] Is it the pleasure of the Committee that we adopt that course?—

(*The same is agreed to.*)

(*New Clause 23 is agreed to subject to further revision.*)

Chairman.

263. Of course, it will be open to Mr. Browne to bring any representations he thinks proper before the Committee, if he thinks that, notwithstanding this Clause, the Metropolitan Water Board will be in any way affected, and we shall be only too glad to hear him, because that is what we want to avoid?—(Mr. *C. E. C. Browne.*) If your Lordship pleases.

264. It takes the Metropolitan Water Board out, and there may be some consequential amendments, which I imagine you will see to, Mr. Hill?—(Mr. *Hill.*) There must be a number of consequential amendments. We have tried to pick up all we can, but we must have missed some; therefore, on the final occasion I will ask permission to bring up any consequential amendments which have been missed.

Chairman.] Is that agreed?

(*The same is agreed to.*)

Mr. *Edwards.*

265. What is the significance of the last words in New Clause 23: "for the time being"?—(Mr. *C. E. C. Browne.*) The significance is this: it is conceivable that there might be an extension of the Metropolitan Water Board area. They might take in by agreement an area adjoining their boundary, an area which is at present in the area of some other water undertaker. If that area comes over to the Metropolitan Water Board, it should be subject to the same conditions as the existing area, and not subject to the conditions of the Bill.

266. Yes?—Conversely, there might be a lopping off of a boundary area of the present limits of the Board, transferring that area to somebody else.

267. Yes?—Then again, this Bill, when it becomes an Act, should apply to that area in the hands of the other undertakers. That is the effect of those words.

Mr. *Edwards.*] Yes.

Chairman.

268. Are there any further questions on Clause 5 or on the Metropolitan Water Board? If not, we might perhaps now proceed with Clause 11?—(Mr. *Seager Berry.*) Before your Lordship proceeds, may I be allowed to refer to some observations which your Lordship made on the second reading of this Bill, and in consequence make an application on behalf of the Sheffield Corporation, and to support it on behalf of the Sunderland and South Shields Water Company. On the second reading of this Bill, your Lordship at the bottom of column 295 said: "It is, I think, desirable first to get consolidation of the existing law perfectly straight and I would ask my noble friend if that is the principle in this Bill? He replies in the affirmative. In those circumstances it seems to me that questions raised as to principle should not be dealt with in this Bill, but should be the subject of a wider Bill at a future date." Following on those observations of your Lordship's, I am instructed to ask on behalf of the Sheffield Corporation, and supported by the Sunderland and South Shields Water Company, that this Committee should not consider including in this Bill, especially having regard to the recommendation that they have already made, provisions which are wider than consolidation provisions. The Sheffield Corporation and other local authorities

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER. [*Continued.*

are very heavily engaged at the moment on A.R.P. work, and a special circular has just been issued by Sir John Anderson asking them to devote as much time as is possible—in fact, to put everything that is not absolutely vital on one side and to concentrate on A.R.P. work. There are various provisions in this Bill (in fact, 65 provisions in the Bill—12 in the body of it and 53 in the Schedule) which are new, in that they do not apply generally throughout the country. That is supported by what is said by the Committee who recommended the inclusion of these provisions. I am asked, my Lord, on those conditions to ask that this Committee will limit their deliberations to consolidation. It is not possible for municipal corporations at this moment to consider the general provisions of the Bill. They are far too busy to consider them. This Bill was only issued at the end of May, and the Town Clerks and Water Engineers are very busy indeed. Mr. Blackburn issued, following the suggestion of the Committee, a circular to various water undertakers asking them their views on Clause 5. The result of that circular is that numerous other water undertakers have written to Mr Blackburn pointing out points that they would desire to raise on this Bill.

269. We have dealt with Clause 5?—I hope your Lordship will bear in mind what your Lordship said on the second reading of this Bill when your Lordship made very clear, I think, that you thought it desirable to get consolidation of the existing law first, and then to deal with the new matter in another Bill. In fact, your Lordship went so far during the second reading debate——

270. I was speaking not as a Member of this Committee, which was not constituted then, so it really had nothing whatever to do with it. I was expressing the views which have been expressed by other Committees. My own view would be (and I should have said it if I thought this point was going to be raised) that we must deal with it clause by clause. You have heard the Committee's view of Clause 5, and I think the Committee will agree with me we should deal with the other clauses in the same way and certainly not give any undertaking that we will deal with them in a different way?—(Mr. *C. E. C. Browne.*) Notwithstanding what your Lordship has said, I am instructed, on behalf of the Corporation of the City of Bradford, to express their sympathy with all Mr. Berry has said.

Chairman.] We will deal with it clause by clause as we come to them. We have dealt with Clause 5 as I think you would wish. I do not think the Committee would wish to bind themselves to any theoretical conception of any municipal corporation, however important.

ON CLAUSE 11.

Chairman.

271. Now Clause 11?—(Mr. *Hill.*) The first amendment on the print is put down in order to meet what we understand to be the views of the catchment board: "after consultation with the catchment board concerned".

272. Page 14, line 13, after "undertakers" insert "after consultation with the catchment board concerned". Is there any point on that beyond drafting?—(Mr. *des Forges.*) Yes, I hope you will hear me on that.

273. The Association of Municipal Corporations want to raise a point?—Yes. I mentioned it the other day and I would like to emphasise it again, that my Association strongly object to catchment boards being brought into this clause. It is suggested that catchment boards are river pollution authorities, which they are not. I suggest, my Lord, that if you require statutory water undertakers to consult with catchment boards every time they have to take action under Clause 11, this will not be a Bill to assist water undertakers in carrying on their undertakings, but will be a Bill to encumber them with totally unnecessary obligations in carrying out their ordinary statutory duties. My Lord, what is the effect of this clause? It is for the purpose of executing works to protect their water undertakings and to prevent foul water from getting into their streams. Why should not they be able to carry out those works without having to consult with another body? It may be urgent. Consultation, as Sir Geoffrey Cox pointed out, is only a letter, but you must remember this, that

if that letter goes and I get a reply from the catchment board to say they are meeting next month and will then consider it, I have to wait under the suggested amendment as to their being consulted. This proposal, my Lord, is again entirely new. It is quite foreign to water undertakings' legislation to-day that catchment boards should be consulted in relation to this type of work and having regard to the decision you have made, my Lord, in regard to Clause 5, I most strongly urge you on behalf of the local authorities and the water undertakers that you do not make this new step to-day. But if catchment boards should be brought into these matters and should be empowered to call on water undertakers to consult them and to confer with them when they are carrying out works of this description, then my Lord, I suggest it is for this new legislation that you have envisaged and not for a Consolidation Bill. For these reasons I hope you will not agree with this amendment, my Lord.

Lord *Faringdon*.] Have not we discussed the whole matter of those catchment boards at our last meeting?

Chairman.] "After consultation with the catchment board concerned."

Lord *Faringdon*.] Surely that has been put in as a result of our Debate last week? It seems to me it is merely re-raising the question.

Chairman.

274. Mr. Armer, what did we discuss last week?—(Mr. *Armer*.) It was on the previous clause you discussed this question last week on Clause 10 and on Clause 10 you left it to be agreed between the parties.

Lord *Faringdon*.] The arguments do not seem to be different on any particular clause.

Lord *Kenilworth*.] We left it that they should discuss it between themselves.

Chairman.

275. It is in the minutes. What have you done? Have you discussed it?—We have discussed Clause 11 with the Catchment Boards Association.

Mr. *Medlicott*.] Question 233 at the very end of the Minutes.

Chairman.

276. "We express the hope that the various parties may be able to come to an arrangement with regard to the Catchment Boards." Have you done anything, Sir Geoffrey?—(Sir *Geoffrey Cox*.) I met Mr. Armer on Friday. We had a long discussion on Clauses 10 and 11. As a result the Ministry have put this amendment down to Clause 11.

277. This is a result of your coming to an agreement?—So I understand, but of course my friend Mr. des Forges was not there at that meeting. He had a separate consultation. (Mr. *des Forges*.) We have not been consulted. We only got this last night telling us what was going to be done. We were not asked whether we agreed to this proposal at all.

278. Did you have any conversation about Clause 10?—With regard to Clause 10 we said we should object to catchment boards being included in it.

279. Your point is that you do not want anything to do with the catchment boards. Is that right?—That is strongly our point.

Mr. *Edwards.*

280. Did you have consultation with the Ministry on this point?—On Clause 10 we did and they agreed to leave it out. Mr. Pritchard tells me he has not discussed the question of this amendment with the Ministry in relation to Clause 11.

281. You have not had any consultation since our last meeting?—No; I am sorry I have to refer to our Parliamentary Agent, because I have not done it

Chairman.] Would you like to leave it, because it is rather in the air?

Mr. *Edwards.*

282. Do you tell the Committee that under no circumstances is it conceivable that the catchment boards' work could be jeopardised by any action taken under this clause?—It is very wide to say under no possible circumstances could anything of that sort happen, but my view is that there is no reason why the working of the water undertakings should be hampered by this consultation simply to meet the rare possibility of, on some occasion, the catchment

board's area being in some way affected by their not being consulted.

283. Would it not be natural with two friendly authorities that if in any circumstances there is some possibility of their work being jeopardised they might at least have an opportunity of being consulted and probably in the majority of cases they would say, "There is no objection at all." It does not follow there would be delay?—What we feel is that there is bound to be delay. The Members of the Committee must remember this: take a catchment board in the West Riding of Yorkshire. The head offices are at Leeds. They cover places as far from Leeds as Sheffield, Doncaster, Rotherham, Barnsley—all the towns far away from Leeds. Take the Trent; take Birmingham. Under this clause Birmingham will have to consult in Nottingham, which I believe is the headquarters of the Trent Catchment Board. It cannot be denied that there is some delay; it cannot be denied that there must be some delay, which we think is unreasonable, in having to consult with catchment boards

Mr. *James Griffiths.*

284. Why should not an authority of that kind be obliged to consult other authorities? Are not these catchment boards, generally speaking, an association of other authorities including smaller authorities? Are the larger authorities unwilling to consult with other authorities who are members of catchment boards because they are small?—No, I do not say that for a moment, but what I do say is that this is new: there is no general Act clause requiring catchment boards to be consulted by water undertakers. If the Committee's decision on Clause 5 is good, I ask my Lord respectfully that it might be applied to this. Secondly, Sir Geoffrey Cox searched his records for some precedent where even in a Private Bill catchment boards have been able to obtain these powers and the only one he could find was Woodhall Spa.

Chairman.

285. When you say "it is new", may I ask whether this is one of the model clauses?—(Mr. *Hill*.) It is common form in local Acts, except for this point to which objection is now being taken. (Mr. *des Forges*.) I am not objecting to this clause; it is this point on the clause.

286. What you are objecting to is consultation with the catchment board?—That is so.

287. The supply of water first comes from the catchment board?—No, Sir.

288. It first comes from Heaven, but after that from the catchment board?—No, my Lord, the catchment boards have nothing whatever to do with this water. All the catchment boards' duties are, as I understand them, largely to see that the areas are drained and their purpose is to see that the rivers are kept clear so that they will get rid of the water.

289. Exactly?—Not getting more water.

290. The business of the catchment board is to catch the pure water?—To get rid of the water.

291. I am only trying to get at this fact. We do not want dirty water, do we?—No; but we as the water undertakers are not likely to want to get dirty water. This proposal is to enable us to carry out our day to day drainage schemes in our water areas for the purpose of preventing pollution.

292. But you want to get into your waterworks pure water, do you not?—We do.

293. Not dirty water. The catchment board supervises the whole area where the water when it comes from Heaven, goes on to the earth, and it is their business to see that it is clean?—No; they are not river pollution authorities to-day. You must remember that, my Lord. They have nothing to do with rivers pollution work. The Rivers Pollution Authority, if you take my area of the West Riding of Yorkshire, is the West Riding of Yorkshire Rivers Board, and if we are going to do anything that fouls a river by our acts, then we have got to be responsible to the West Riding of Yorkshire Rivers Board. If you take any other place, the local authorities themselves are the rivers pollution authority and not the catchment board. This is a case of the catchment boards desiring to get the thin end of the wedge in so

that they will ultimately become Rivers Pollution Authorities instead of the local authorities, and I say again most strongly that that should be done after this Bill which has been envisaged to remedy these defects in water legislation (if they are defects) has been considered by all the authorities and not in this Consolidation Bill.

Mr. *Levy.*

294. Are you suggesting there is constant friction always between catchment boards and local authorities?—No, certainly not, not in the catchment board's proper functions of getting rid of the water and keeping the rivers clear; certainly not.

Major *Mills.*

295. You describe catchment boards as authorities for the sole purpose of preventing floods and marsh—getting rid of the water?—Yes, if you like to put it that way.

296. Is it not a fact and is it not within your knowledge that all other authorities who are going to do anything which will affect a main river have to consult the catchment board—such authorities as a highway authority, the county council, the rivers authority and so on—as regards everything which is going to affect a river, and have to get the approval of the catchment board?—No; I would like to say I am not here to-day to give any exposition of the law with regard to catchment boards, but as I understand the matter we should only consult catchment boards if we are going to put water into a stream which is likely to cause it to flow. Catchment boards are there for the purpose of getting rid of our water and for keeping them flowing, not for keeping them non-polluted. The local authorities are the people for that, not the catchment board.

Chairman.

297. Sir Geoffrey, what do you say?—(Sir *Geoffrey Cox.*) I have listened with very great pleasure to a very skilful bit of special pleading. I am very glad my friend Mr. des Forges has so far repented that he agrees to-day what he was not prepared to agree a week ago, namely, that you could consult through the assistance of the Postmaster-General. It seems to me, my Lord (I do not want to be rude) a travesty to say that this is going to hold up things. What is the clause for? It is first of all to enable water companies, amongst other things, to buy the land. It is not a thing you are going to do any day, every day, and in a couple of minutes. It must be part, as I suggest—or should be—of a carefully concerted scheme for dealing with the area of the water undertaker and ensuring the purity of the water undertaker's waters. In the case I gave you the other day I made a mistake as to what Parliament actually did. There they forbade the discharge into any watercourse of any foul waters. We have not put that up. (Mr. *des Forges.*) That was in Woodhall? (Sir *Geoffrey Cox.*) In Woodhall Spa. We have not put that up because we are fully conscious that you must get rid somewhere of this polluting matter, but we say it is essential that you should not take it from one place where it is polluting and go and pollute another place which should not be polluted. What is the objection to consultation taking place between two (particularly in Mr. des Forges' case) public bodies of good will? In reply to the Honourable Member's question just now at least 66 per cent. of the membership of every catchment board is representative of county councils or county borough councils and I cannot conceive such a state of affairs existing as Mr. des Forges seems to have in his mind.

298. Could you tell us, Sir Geoffrey or Mr. Armer, how many local authorities have this clause?—(Mr. *Armer.*) I cannot tell you the exact number, but there are a great number of them. (Mr. *des Forges.*) Without the catchment board provision, of course.

299. I mean the catchment board provision?—That is what I thought. One only, Woodhall Spa, my Lord. (Sir *Geoffrey Cox.*) I am not in the least afraid of that.

Mr. *James Griffiths.*

300. Where is Woodhall Spa?—It is the only case in which the point was taken and it is the only case in which it was realised that if an agreement is made under such a clause as this you get a statutory authority for that agreement and you therefore can confer on the land owner by virtue of that statutory agreement a power, it may be, to pollute, which would not otherwise exist. That was the view taken by the Court of Referees in the House of Commons. If you enter into an agreement under this clause or carry out works and you actually discharge these foul waters for which you are given the authority to construct the works, people cannot stop you and I venture to say you could not be stopped even under the Rivers Pollution Act.

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker. [*Continued.*

Chairman.

301. There seems not to have been a very full consultation with the interested parties in regard to this somewhat knotty question of catchment boards. I do not know whether we should really progress very much further by discussing it at this juncture before the Committee, and I would rather suggest, as we did last time, that the various authorities should get together and see if they cannot come to an agreement with regard to the relations of catchment boards and statutory undertakers?—(Mr. *Armer.*) I am afraid that would not be possible. The views are so divergent that we could not get agreement.

Chairman.] I am glad you have told us. We do not want to waste time.

Lord *Kenilworth.*] The catchment board are one of the essential elements in the collection of water, and its distribution throughout the country, and as a plain ordinary man I cannot see why they should be neglected. They represent in the public mind a very big matter. They are liable to come in for very severe abuse if they do not carry out their duties properly and I cannot see why two bodies vitally interested in the distribution of water to the public should not come together and consult.

Chairman.

302. May I ask, is the only objection you have—the real objection—the difficulty and delay which is caused by consultation with catchment boards?—(Mr. *des Forges.*) Yes, my Lord. What I object to is this, my Lord. I think I had better put it quite clearly. I object in principle that in this Bill at any rate we should have to consult with the catchment board.

303. I did not ask you that question?—I am sorry.

304. I said, did you object to the delay. Was that your reason for objection?—Yes, the delay is naturally one of my reasons.

305. What are the others? The first is delay?—My other reasons are these: firstly, that catchment boards are not dealing with the subject of this clause. If anybody is, it is the Rivers Pollution Authority, and not the Catchment Board. They should not be brought on this type of Bill into the clause.

Mr. Edwards.

306. You have said that it is conceivable that on occasion this may affect them?—I should be far overstating the case if I said under no possible circumstances and on no occasion could it, but is it reasonable that water undertakers should be hampered with this proposal because, at the hundred-and-first time that it may arise, something may happen? Then there is the Rivers Pollution Authority, which is the right authority to take action.

Chairman.

307. Mr. Armer, please tell me how many local Acts have this consultation with the catchment board amendment in them?—(Mr. *Armer.*) Only one, as far as I know.

Chairman.] Are there any further questions?

(*The Committee confer.*)

Chairman.] The Committee have decided to allow the amendment.

(*The same is agreed to.*)

Chairman.

308. Page 14, line 13, leave out from "may" to end of line 14?—(Mr. *Hill.*) The next three amendments go together. The middle one inserts the words "or disposing of". It was pointed out to us that works for intercepting flood water, unless some method of disposing of it were provided, were useless. Therefore we propose, on page 14 in line 16, after "intercepting" to insert the words "or disposing of", and that necessitates, I

think, the transposition of those words " in and upon any such lands " to follow the words " arising or flowing ", because, of course, works for the intercepting of water would be carried out on the lands, but works for disposing of it would not necessarily be carried out on the lands on which the water arises. I think those three form one amendment, depending upon the introduction of the words " or disposing of " after " intercepting ".

Chairman.] Are there any other observations? Are there any questions. The amendments are: on page 14, line 13, leave out from " may " to end of line 14. In line 16, after " intercepting ", insert " or disposing of ". In line 17, leave out " those lands " and insert " any such lands as are referred to in the preceding subsection."

(*The same are agreed to.*)

Chairman.

309. The next amendment is line 20, at end insert " , which may be given subject to such conditions as the authority think fit "?—(Mr. *Hill.*) Your Lordship will see that the Clause requires the consent of the highway authority concerned and some association—I forget which—representing highway authorities, have asked that they may be empowered to give their consent " subject to conditions ". It is a very common phrase to insert, where you provide for giving consent " subject to such conditions as the authority think fit."

Chairman.] Are there any questions upon this amendment?

(*The same is agreed to.*)

Chairman.

310. The next amendment is at line 23; leave out from " supply " to end of subsection, and insert " and such statutory provisions with respect to the breaking open of streets as are applicable to the undertakers, shall, with any necessary modifications, apply accordingly."?—(Mr. *Hill.*) I regard that as purely drafting. It is to bring this phrase into conformity with a very similar phrase in another part of the Bill.

311. Are there any questions upon this? It is a drafting amendment, is it not?— Yes.

Chairman.] The question is that this amendment be agreed to?

(*The same is agreed to.*)

Chairman.

312. Now the amendments at lines 33 and 34. At line 33 after " withheld " insert " nor shall any unreasonable condition be attached to such a consent ". Line 34 after " withheld " insert " or whether any condition which an authority seek to impose is unreasonable "?—(Mr. *Hill.*) The amendments at lines 33 and 34 go together. They are consequential on having inserted the words " which may be given subject to such conditions ".

313. They are both consequential amendments?—Yes.

Chairman.] The question is that the consequential amendments be agreed to?

(*The same are agreed to.*)

Chairman.

314. Are there any other amendments?—(Mr. *Swift.*) On Clause 18 there was a further point by the County Councils' Association which has been met by amendment proposing a new Clause 18.

315. We are on Clause 11 now?—Yes, but it has been met by a fresh Clause 18, which is proposed on page 4 of the paper of amendments.

316. Would you rather deal with it then?—Yes. (Mr. *Hill.*) May I express a hope that where we have met people, as we have endeavoured to do, they will not even get up and thank us for having done it, but will let the matter pass?

Chairman.] I think that will rather hasten the proceedings. Mr. Hill has tried very hard and I have no doubt everybody wishes to thank him, but we have a great deal of work to do. I think, if those who are representing the various interests would assist the Committee in shortening the proceedings, we should all be very grateful. The question is that Clause 11, as amended, stand part.

(*Clause 11, as amended, is agreed to, subject to further revision.*)

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker. [*Continued.*

On Clause 12.

Chairman.

317. The first amendment is on page 15, line 5, leave out " catchment area " and insert " gathering ground "?—(Mr. *Hill.*) That is a drafting amendment.

Chairman.] The question is that this drafting amendment be agreed to.

(*The same is agreed to.*)

Chairman.

318. The next amendment is at line 9, after " prohibit " insert " or regulate "?—(Mr. *Hill.*) The clause at line 9 enables the authority to prohibit the doing of certain acts, and some association, representing, I understand, either Scouts or campers, asked that the words " or regulate " should be inserted after the word " prohibit." It seemed to the Ministry that there was no reason why that should not be done. It will read " prohibit or regulate."

Chairman.] The question is that this amendment be agreed to.

(*The same is agreed to.*)

Chairman.

319. Then at line 15, after " sewers " insert " cesspools "?—(Mr. *Hill.*) I do not know whether you can describe that as a drafting amendment, but I do not think it requires any comment.

(*The same is agreed to.*)

Chairman.

320. Then at line 24, page 15, leave out " may if he thinks fit " and insert " if he thinks fit, may refer the appeal to be determined by an arbitrator to be appointed in default of agreement by the President of the Institution of Civil Engineers, or may himself "?—(Mr. *Hill.*) That was a request that was made to us. It was said that these questions might be more suitable for a technical arbitrator than for the Ministry. It merely says that the Minister can refer it to a technical arbitrator if he thinks fit. It seems a harmless amendment to us.

Chairman.] Are there any objections?

(*The same is agreed to.*)

Chairman.

321. The next amendment is at page 15, line 27, after " owners " insert " and occupiers "?—(Mr. *Hill.*) That is to correct what was, I am afraid, an omission.

Chairman.

322. Are there any questions?

(*The same is agreed to.*)

Mr. *Hill.*] The next one is simply to assimilate language. We use the word " premises."

Chairman.

323. That is to make them " square "?—Yes.

Chairman.] The question is at page 15, line 27, leave out " lands " and insert " premises."

(*The same is agreed to.*)

Chairman.

324. At line 37, after " required " insert " otherwise than upon payment of compensation "?—(Mr. *Hill.*) There is substance in this. It was a good point which was taken by somebody. It was pointed out that, if the local authority could not require something to be done unless they paid compensation, then the water undertakers should also pay compensation if they required it to be done under this clause. It seems logical and only fair.

Chairman.] Is that amendment agreed to?

(*The same is agreed to.*)

Chairman.

325. The Central Committee on Camping has something to say on subclause (*b*)?—Mr. *Hill.*) That has been met.

Chairman.

326. The next amendment is on page 16, line 5, at end insert " (4) Nothing in this section shall be construed as empowering the undertakers to make any byelaw restricting the statutory rights of a navigation authority "?—(Mr. *Hill.*) That is to meet the navigation authorities.

Chairman.] Is that agreed?

(*The same is agreed to.*)

Chairman.

327. Then at page 16, line 18, at end insert " Before confirming any byelaws under this section, the Minister shall take into consideration any representations which may have been received by him "?—(Mr. *Hill.*) That is to meet the wishes of somebody who doubted whether the Minister would entertain representations unless he was told that he should do it.

Chairman.] Is that agreed to?

(*The same is agreed to.*)

Chairman.

328. Then, on page 16 at line 23, after " month " insert " exclusive of any part of the month of August ". That is consequential, is it not?—(Mr. *Hill.*) That is the " month of August " point.

Chairman.] Is that agreed to?

(*The same is agreed to.*)

Chairman.

329. Then, page 16, line 25?—(Mr. *Hill.*) The two amendments on line 25 go together, and they were intended to meet the Catchment Boards. (Mr. *des Forges.*) I still have my objection, but I will not take it further.

Chairman.] No, we will not have another duel. The amendments are in line 25; leave out " and " and insert " the ". At line 25 at end insert " and the catchment board of any catchment area ". Are those amendments agreed to?

(*The same are agreed to.*)

Chairman.

329A. Then, at line 39, after " the " insert " proposed "?—(Mr. *Hill.*) That is purely drafting.

(*The same is agreed to.*)

Chairman.

330. Then we come to line 41. Leave out " (*e*) " and on page 17, line 1, leave out " (*e*) " and insert " (*d*) "? (Mr. *Hill.*) These two amendments I think, could have been done as printing corrections without authority: it is desired to run two paragraphs into one.

Chairman.] That is merely printing. I do not know that it was necessary to put it in.

(*The same are agreed to.*)

Chairman.

331. On page 17, line 4, at end insert " (6) The powers conferred by this section on statutory water undertakers shall be deemed to be in addition to and not in substitution for any powers exercisable by them under any other enactment "?—(Mr. *Hill.*) That, I understand, was asked for by some association of local authorities. (Mr. *Drew.*) On behalf of the Corporation of Brighton, we are apprehensive that by the combined effect of Clause 12 and Clause 22 we may be deprived of two valuable powers for preventing pollution, which we gained in our Water Bill of 1924, and which were re-enacted in our Consolidation Act of 1931. The amendment that is proposed is intended, I think, to meet the point by keeping alive these powers in our and other local Acts, but we are still apprehensive that unless there is a further amendment to Clause 22 that result will not follow. I think I ought to mention it now because it is dealt with, and I may have an opportunity of consulting with Mr. Hill before Clause 22 is reached.

332. I think that would be best. Does that suit you, Mr. Hill and Mr. Armer? —(Captain *Ellen.*) Would you allow me a word on this for the Federation of British Industries? It does seem to us that the powers which are given in the Bill under Clause 12, many of which are new, are all that a water undertaker needs, and the continuance in operation of powers that he already has in so general terms as this, complicates the issue enormously and makes one uncertain where one stands at any particular moment. We suggest that the powers which are given in Clause 12 are sufficiently comprehensive and that old powers could now probably be repealed? —(Mr. *Seager Berry.*) May I, on behalf of Sheffield Corporation, support the inclusion of this new subsection (6). Sheffield Corporation, as your Lordship knows, is now promoting a Bill which is now in your Lordship's House, for the purpose of dealing with the protection of their gathering grounds, and unless this provision is inserted, considerable doubt is felt as to whether the powers that the Sheffield Corporation are seeking in this Bill will not be repealed as soon as the Water Undertakings Bill comes into

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER.

operation. We therefore hope that your Lordships will see your way to pass this new subsection (6). (Mr. *Drew.*) May I also support the inclusion of this amendment? (Mr. *Boucher.*) On behalf of the Bristol Waterworks Company, may I also support the inclusion of this amendment?

Chairman.] Is this amendment agreed to?

(*The same is agreed to.*)

Clause 12, as amended, is agreed to, subject to further revision.

ON CLAUSE 13.

Chairman.

333. The first amendment is at page 17, line 11, leave out " river stream or "?—(Mr. *Hill.*) That is a drafting amendment.

(*The same is agreed to.*)

Chairman.

334. The next is page 17, line 18, after " emergency " insert " or of the routine cleansing of any reservoir, pumping station, filter or pipe, and except in so far as may be otherwise agreed in writing between the undertakers and the board or authority concerned "?—(Mr. *Hill.*) That is a clause which has certainly appeared in certain recent local Acts. I do not know from memory who asked for it on this occasion, but it is in some recent Acts. It seems a reasonable provision to insert.

335. This is enabling, of course, because it has to be by agreement?—Yes.

336. " Except in so far as may be otherwise agreed "?—Yes. It is an exception.

337. It should be a usual clause, unless there is an agreement to the contrary, is not that right?—No, I do not think it can be put in that way. The subsection says that the undertakers shall give certain notices except in a case of emergency and except where they have an agreement to the contrary. These words propose to put in another excepted case except in the case of what they call routine cleansing, which, I suppose, must mean periodically washing out at intervals of a month or possibly three months. It does add another case, but I have seen it myself in one or two Acts and recent Acts. (Mr. *des Forges.*) Without prejudice to what I should like to say generally on the clause, may I suggest, if ultimately this is excepted, in line 18 after " emergency " it should read—or I should suggest to your Committe that it should read—" the routine cleansing or emptying of any reservoir, pumping station, filter or pipe " and so on. It may be necessary in joining pipes to empty them. Without prejudice to what I should like to say on the clause generally, would your Lordships consider that amendment?

338. Do you see any objection to that, Mr. Hill?—(Mr. *Hill.*) I should have thought it would have been difficult to cleanse a reservoir without emptying it, but if the technical people say it is necessary to put in the words, I see no objection. (Mr. *Horner.*) I appear on behalf of the Canal Association which represents the canals and inland navigations of this country other than the railway-owned canals. The Canal Association object very strongly to this amendment in so far as it will include the words " or of the routine cleansing of any reservoir, pumping station, filter or pipe ". In our view that undermines entirely the protection which has already been conceded to us in the Bill. Your Lordship appreciates that the effect of sub-clause (2), as it is now included in the Bill, is that navigation authorities are entitled to notice and to give their approval to the mode of discharge in all cases where a discharge comes into their navigation within three miles except in cases of emergency. The effect of this amendment will be that the requirements as regards notice and approval and the other requirements of paragraph (*c*) of sub-clause (2) would also be dispensed with in cases of routine cleansing. What may be a matter of routine to the statutory water undertaker, may be a matter of the gravest consequence to a canal authority. Some canals consist partly of natural rivers and partly of artificial cuts, and it is particularly in the case of artificial cuts that this power could seriously prejudice the undertakers, because they would have no notice of what is termed here the " routine cleansing " of a reservoir. That might result in a considerable quantity of water being

sent down before they had time to open their flood hatches and get the water away. They do submit that this is a very serious proposal to put in this Bill. They have not been consulted about it. I should like, if I may, to refer to the second report of the Central Advisory Water Committee dealing with this clause as they proposed that it should be included in this Bill.

339. Perhaps we might ask the Ministry of Health on your first point what they say. I do not want to stop you, but I thought they might answer that first point, your main objection. Mr. Armer, have you any objection to the alteration?—(Mr. *des Forges.*) You will hear me, will you not, my Lord?

340. Have you any objection to the alteration, Mr. Armer?—(Mr. *Armer.*) Yes. (Mr. *des Forges.*) That is the point. This is a compromise which, you will remember, we expressed a willingness to accept if the clause now brought forward by the Ministry of Health were put in.

341. We had better finish with Mr. Horner. I thought we might get agreement—that is all?—(Mr. *Horner.*) On page 43 of their second report, the Committee said: "It is clearly reasonable that an inland navigation authority should not only have notice, but should also have control of the discharge of water into an artificial navigation, so that damage to banks or locks or interference with traffic may be obviated." I submit that the effect of this amendment would be to whittle away the protection which the Committee intended we should have to such an extent that it would be worthless.

342. Have you had discussion with your opponents on this?—No, because we did not know this amendment was being made.

343. It is rather difficult to argue this point before the Committee, before there has been some discussion, because it seems to me to be a matter on which there might be compromise. Perhaps the Committee would wish to let them have a few preliminary words beforehand. What do you think, Mr. Armer?—(Mr. *Armer.*) I gather the objection is limited to artificial cuts. We might discuss that. (Captain *Ellen.*) Might I discuss this amendment? There is an amendment on the paper which you will see on page 3, which requires that owners or occupiers of land——

344. Are you dealing with what we have just been dealing with?—Yes.

345. Subsection (6)?—Yes. Riparian owners are to have notice of these acts by a water undertaker if this amendment is accepted by the Committee. We are, therefore, very materially interested. I can, on behalf of the riparian owners, as represented by the Federation of British Industries, support what the Canal Association have had to say, because I do think that these routine operations are the most usual things which will occur in the operation of this clause. It would be exceptional if water is discharged into streams otherwise than in the way of routine cleansing. Therefore, it seems to us that the clause as it stands with the amendment added to it, will be of very little benefit at all.

346. I think, if the three other parties are going to discuss it, perhaps you would not mind joining in the discussion and raising your point?—(Mr. *Armer.*) I think Captain Ellen's point is a quite different one from the navigation authorities' point. The navigation authorities are objecting to an artificial cut—a canal, their own property, I imagine—being interfered with. Captain Ellen is referring to a discharge into any river at all. (Mr. *Horner.*) I stressed the case of the artificial cut, but I would not like Mr. Armer to think, nor the Committee to think, that my objection to this amendment is limited only to its application to an artificial cut.

Chairman.] There are different parties, all of whom have points of view. It would, I think, shorten the proceedings if they would have a private discussion together.

Major *Mills.*] Might I suggest that the catchment area authorities be consulted, and also either the representative of the Fishery Boards or the Ministry of Agriculture and Fisheries.

Chairman.] Yes, they are all here today. It would be a pleasant conversation during lunch time. Anyhow, we are meeting to-morrow, so there is plenty of time. I do not think we should advance very far if we endeavoured to do it in full Committee now.

(*The same is agreed to.*)

Chairman.

347. The next amendments are on page 17, line 23, leave out "and the Fishery Board exercising functions in respect of any river" and insert "of any catchment area and fishery board of any fishery district within which any watercourse." And line 25, after "discharged" insert "is situate."—(Mr. *Hill.*) The amendments in lines 23 and 25 are drafting amendments.

Chairman.] Are those agreed to?

(*The same are agreed to.*)

Chairman.

348. Then there is an amendment at page 17, line 30, leave out "and mode" and insert "mode and rate."—(Mr. *C. E. C. Browne.*) I have an amendment on behalf of the Associated Mill Owners on page 17, line 25. Your Lordship may remember that the Committee had before them at the last meeting, a very short memorandum, and this morning you have before you on a single sheet, the amendment which we have proposed.

349. On page 17, line 25, after "discharged," the Associated Mill Owners wish to insert "and to the clerk of any association of Mill Owners, any of whose constituent members have statutory rights in relation to any river stream or watercourse directly or indirectly affected by the discharge of water under the powers of this section." Is there any objection on your part, Mr. Armer?—(Mr. *Armer.*) Yes.

350. All right; Mr. Browne, please.—(Mr. *C. E. C. Browne.*) May I say, I have framed my amendment in general terms as applying to any association of mill owners. As a matter of fact I do not myself know of any body of this kind other than the one body instructing me—that is the body known as the Associated Mill Owners, who have rights in reference to the undertaking of the Sheffield Corporation. The association was not actually incorporated in any Sheffield Corporation Act, but in the Sheffield Corporation Act, 1918, there are various provisions regulating the conduct and proceedings of this Association. The Mill Owners who are included in the Association are Mill Owners having mills and works on various rivers from which the Sheffield Corporation are empowered to take water, and in relation to which the Sheffield Corporation have to discharge compensation water. The compensation water provisions are operated under, I will not say actually the control, but in co-operation with these particular mill-owners, and they are therefore directly concerned in that way with the flow of the water in the river. Your Lordship and the Committee will realise that if you have a water wheel, the source of power of most of these mill owners, operated by water, if you are going to flood the stream which drives that wheel, you may raise it to such a level that the wheel will not turn round. I do not know the technicalities of water wheel engineering, but I think it is obvious to the layman that if you get a large discharge of water behind the wheel, the wheel will not go round and the power cannot be obtained. We do not offer any objection to that. All we ask is that we shall have the seven day's notice which is to be given to Catchment Boards and Fishery Boards.—(Mr. *des Forges.*) You are not deciding on that point at the moment, are you?

351. We want to hear what the Ministry of Health has to say. They object to it?—I still do, my Lord. (Mr. *C. E. C. Browne.*) I submit with some confidence that mill owners are people who will be—I might put it as high as this—more directly affected by this discharge than any of these other people. It may stop my works for an indefinite period and, as your Lordship has just heard, it may mean the emptying of an entire reservoir. That cannot be done without affecting the level of the water in the watercourse which provides my clients with their power. It is surely not unreasonable to ask that they shall have notice of the intention to do this, so that they may make their arrangements, if they have alternative means of power to bring that into play, or make some other arrangements which will enable them to tide over the period when their wheel will be put out of operation. I submit that it is not unreasonable that we should have notice of a discharge

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mi. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker.

which is going to have that effect upon our industry.

352. Mr. Browne, can you support your views with any precedent?—No, my Lord, I cannot say that I can.

353. This is pure amendment, is it not?—Yes. (Mr. *Armer.*) If you look at subsection (5) on page 18, you will find "the undertakers shall do as little damage as may be and shall pay compensation to all persons for any damage sustained." I cannot conceive that with that provision any water undertaker is going to discharge large volumes of water down the river so as to stop mills on the river. (Mr. *des Forges.*) What I wanted to point out was that this association, which is applicable, as Mr. Browne points out, only to the River Don, have never raised this point in any of the local legislation of the Sheffield City Council relating to their water undertaking, and I would remind the Committee that Sheffield has now the powers of this clause—the first part—which gives them the right to discharge water without giving notice to anybody. They have been operating that for 100 years and never has any complaint been made to them of any action by them in carrying out this clause even without all these restrictions. (Mr. *C. E. C. Browne.*) Have you any evidence of that Mr. des Forges? (Mr. *des Forges.*) I have Mr. Swales, the water engineer for Sheffield here. (Mr. *C. E. C. Browne.*) He says that there has never been any complaint? (Mr. *des Forges.*) I will tender it as evidence. That is what he tells me. (Mr. *Swale.*) I have been there 10 years and it has not happened within my experience.

354. This is a new piece of legislation, and the Ministry of Health have pointed out that it is covered to a certain extent, although I agree not entirely, by subsection (5) that they should do as little damage as possible and compensate the mill owners if any damage is done. That is, I think, the point, is it not? The question now arises as to whether it is necessary to put in the amendment as a further safeguard for the mill owners?—(Mr. *Hill.*) There is a further point which I think the Committee should have before them before they decide on this amendment. If you look at the new subsection (4) which appears on page 3 of our amendments, which has been put down in the interests of, I think, the Landowners' Association, I should have thought that really covers the case of mill owners or would do so if the word "land" were altered to the word "premises."

355. What do you say, Mr. Browne?—(Mr. *C. E. C. Browne.*) I should like to answer both the point raised by Mr. Armer and that raised by Mr. Hill. Mr. Armer's point was this: "Do as much damage as you like to the mill owners if you pay them compensation." It is not the money we want; it is the water power we want. We do not want to have our industry stopped, and we can prevent it quite easily if we have warning that this is going to happen. We can prevent our industry being stopped and we can save the water undertakers the liability to pay us compensation for injury, because we shall be able to avoid the injury.

Chairman.] Subsection (4) deals with you—"So long as his name and address appear in the register shall send to him the like notice as they are required by paragraph (*a*)." So you would get the notice?—With great respect, that does not affect me in the least. That is confined to riparian owners within the limits of supply of the statutory undertakers. Your Lordship knows that many of these large undertakings, including Sheffield, have waterworks miles away from their limits of supply. Take the Manchester undertaking with waterworks in Cumberland. If a reservoir in Cumberland is going to be emptied, it does not help anybody to have registered his name as a riparian owner——

356. Cannot you meet that point, Mr. Hill?—(Mr. *Hill.*) This points to the fact that subsection (4) requires a little amendment or alteration to meet even the case of the ordinary landowner.

357. Could you meet Mr. Browne's point?—I think it could probably be met.

358. Will you discuss it with Mr. Hill?—(Mr. *C. E. C. Browne.*) Certainly. I do not care how it is done so long as I get notice. (Mr. *Hill.*) I think it is a point which can be met by conference.

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER. [*Continued.*

359. What about you, Mr. des Forges?—(Mr. *des Forges.*) I am willing to discuss it.

36. Perhaps Mr. Browne will discuss it with the other gentlemen to see whether the point cannot be met. Is that agreed?

(*The same is agreed to.*)

Chairman.

361. On page 17, line 30, leave out "and mode" and insert "mode and rate"?—(Mr. *Hill.*) We have been asked to do that. It is only drafting. I should have thought "mode" included "rate," but we have been asked to put that in.

Chairman.] Is that agreed to?

(*The same is agreed to.*)

Chairman.

362. The next is one page 17, line 36, leave out "or any." Is that drafting?—That is certainly drafting.

Chairman.] That is another drafting. Is that agreed to?

(*The same is agreed to.*)

Chairman.

363. The next three amendments are page 18, line 1, at end insert, "(i) whenever the undertakers propose to discharge water on a number of occasions during a period the giving by the undertakers of a general notice to that effect accompanied by such particulars as it is reasonable practicable for them to give shall constitute sufficient compliance by the undertakers with the provisions of paragraph (*a*) of this subsection." Page 18, line 2, leave out "this paragraph" and insert "paragraph (*c*) of this subsection." Page 18, line 7, leave out "this paragraph" and insert "the said paragraph (*c*)"?—(Mr. *Hill.*) Those three amendments at line 1, line 2 and line 7 are linked up with the point which you have asked the Ministry to discuss with some authorities, and therefore they ought to stand over.

Chairman.] Is it agreed that these amendments stand over?

(*The same is agreed to.*)

Chairman.

364. Page 18, line 13, at end insert, "(3) Where the undertakers discharge water during an emergency or for the routine cleansing of any pumping station, reservoir, filter or main, they shall forthwith give to the catchment board concerned notice thereof in writing and such further particulars relating to the discharge as the catchment board may reasonably require." "(4) If the owner or occupier of land which abuts on a watercourse at a point within, or less than three miles below, the limits of supply of the undertakers requests them to register him for the purposes of this section, they shall enter his name and address in a register kept by them for those purposes, and, so long as his name and address appear in the register, shall send to him the like notice as they are required by paragraph (*a*) of the last but one preceding subsection to send to such a board as is mentioned therein"?—(Mr. *Hill.*) The same thing applies to that; it is linked up with the other point.

Chairman.] Is it agreed that we leave this over with the other amendments?

(*The same is agreed to.*)

Chairman.

365. Now page 18, line 27, leave out "or navigation authority" and insert "the London Passenger Transport Board or a navigation authority, or so as to flood or damage any highway"?—(Mr. *Hill.*) That has been put in firstly to meet the London Passenger Transport Board, who are named specifically, and secondly to meet certain highway authorities who think that their highways need protection.

Chairman.] Are there any objections or any amendments to that?

(*The same is agreed to.*)

Chairman.

366. Now page 18, line 31, after "them" insert "or liability to which they may become subject"?—(Mr. *Hill.*) This has been put down in an endeavour to meet some objectors who thought that the words of the Bill "compensation for damage sustained by them" were not quite wide enough, and I understand

that they would like a little further discussion, and therefore I would ask that that should stand over.

367. Who are the authorities?—Sir Geoffrey spoke to me about it. (Sir *Geoffrey Cox.*) I agree with what Mr. Hill says. A rather important point of principle is raised. A catchment board does work on a river which does not necessarily belong to it, and the banks of the river which are repairable by the catchment board do not belong to the board. One case happened in the experience of a board where there was a tremendous discharge of water at a very great rate. It swished right across the stream, under-cut the bank opposite, and having succeeded in simply dropping the whole bank which the catchment board had spent much money in putting up, deposited it as a beautiful obstruction in the middle of the stream. That was purely the result of a discharge of water, a sudden concentration at one point with a terrifically great rush out. The catchment board not being the owner, but merely having a public duty to perform, the expense of which is immeasurably increased by the discharge of this water, are not at all sure that the word "liability" is quite a suitable one.

368. You are going to discuss it?—Yes, but I thought I ought to explain that there is an important point of principle involved.

369. Yes, it is really drafting. I do not think there is any disagreement. Is there disagreement?—(Mr. *des Forges.*) I have another point on the clause, but not on these amendments.

370. Have you an amendment now?—Shall I make my point now?

371. Have we finished with this last amendment? You have nothing further to say on that, have you?—No.

372. It is agreed that Sir Geoffrey, Mr. Armer and Mr. Hill are going to discuss it.

(*The same is agreed to.*)

Chairman.

373. Now let us get to your point?—(Mr. *des Forges.*) Quite shortly, it is this. If you will turn to page 18 of the Bill you get subsection (3) which says that if they fail to do, on summary conviction they are liable to penalties. That is new. Under the present legislation the clause would end at the words "food of fish" and we should be liable, if we caused damage, to the payment of compensation. What the water undertakers ask is that we should not be liable to conviction and be fined as well as by the other clause be liable to pay compensation for damage. I suggest that you should leave the law as it is to-day and that is, finish the section, as I have said, at "food for fish," cut out the rest of that subsection and leave subsection 5—I think it will be in your Bill—which renders us liable to pay compensation if we do any damage. That is the law to-day and I ask you to leave it in that way.

374. What is the object of putting in a penalty?—(Mr. *Armer.*) The drafting committee on the Bill took the view that so much harm could be done by non-compliance with the provisions of this clause that it merited a very heavy fine, and they suggested these fines of £50 and £200.

375. Is this supported by precedent?—Not the fines, no. (Mr. *des Forges.*) Mine is all supported by precedent. The committee said "this is new". (Captain *Ellen.*) May I say that I think too much has been made of compensation. Mr. Browne has already said in connection with his mill owners that what people interested in streams want is not compensation but to get on with the job. I submit it is no answer to say that there is compensation available here. What we want is such a penalty imposed upon the water undertaker that he will not commit the offence which would give rise to the compensation. Compensation in the majority of cases is a matter which is insignificant in comparison with the damage caused.

376. What is really happening now is that under the existing law they are liable for civil damage; in this it is making it an offence?—(Mr. *Hill.*) A reference to the "existing" law may be misconstrued. This is only local Act law, not general law. (Mr. *des Forges.*) It is local Act law, for which there are hundreds of precedents I am told. (Mr. *Hill.*) It is local Act law on a large scale, but "existing law" generally conveys the idea of a public general statute.

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER. [*Continued.*

Chairman.] The question for decision by the Committee is, should we turn this civil damage case into a penal offence. It seems to be rather a new principle.

Mr. *James Griffiths.*] What are the reasons?

Chairman.] Captain Ellen has told us that it is very serious and they want to stop it. I have no doubt that is right.

Mr. *Levy.*

377. Is there anybody present who can tell us on how many occasions this has happened? On how many occasions has it been allowed deliberately to happen, knowing that the compensation is small and that it will be worth while paying the compensation and getting on with it?—(Mr. *des Forges.*) I have here Mr. Swales, the manager of the Sheffield Waterworks, who has experience of over 30 years in Leeds, Bolton and Sheffield, and he will tell you that this state of affairs feared now, has never happened.

Chairman.

378. There has not been much compensation paid?—(Mr. *Swales.*) Never in my experience.

379. Are you speaking for the whole country?—For the Association of Municipal Corporations. I have been engineer to Leeds, Bolton and Sheffield for a period extending over 30 years. I have never yet had a complaint, much less a claim for damage in respect of the discharge of this water. (Captain *Ellen.*) May I suggest that that is not necessarily the measure of the damage which has been done, but the difficulty of proving the damage. For example, where works are actually stopped——

380. If you cannot prove the damage it would not be a penal offence?—It could be proved that the offence had been committed but the amount of damage could not be assessed.

Mr. *James Griffiths.*

381. Is it suggested that someone should be liable to a penalty without those who charge him being held responsible to prove damages?—No, that is not the suggestion. (Mr. *des Forges.*) That is what is asked for. (Captain *Ellen.*) The suggestion is that the offence should be a penal one. For example, if loss of profit occurs due to the works being shut down, I should say that is too remote to prove.

Major *Mills.*

382. Could we have some guidance from the Ministry of Agriculture and Fisheries?—(Mr. *Armer.*) They are not here, but they have agreed with the Bill as it is drawn.

Chairman.

383. Would you like to have them here after lunch? Let us put it off until after lunch and then have the Ministry of Agriculture and Fisheries here and make it clear to them that this is a considerable alteration in the law, to create a new offence which is a thing Parliament is very careful about doing?—(Mr. *Hill.*) It must not be assumed that, if these words were cut out, there would not be an indictable offence in theory.

384. It says "conviction on indictment" and "on summary conviction"?—If you cut out all those four lines 20 to 24, I think there would undoubtedly be a statutory duty, failure to comply with which would be indictable, if anybody thought fit to prefer an indictment.

Mr. *James Griffiths.*

385. If that is so, have you any records of any cases where such action has been taken?—Not in these local Acts. It is a comparatively modern provision in local Acts. I do not know how far back it goes. The general rule is that any breach of a statutory duty is an indictable misdemeanour, and I do not want there to be any misunderstanding.

Chairman.

386. Perhaps, as has been suggested, we might get hold of the Ministry of Agriculture and Fisheries and see what happens?—(Mr. *Armer.*) Have you decided to hear the Ministry of Agriculture? They were on the drafting committee.

Chairman.] We should like to have them here. There are certain members of the committee who would like to ask questions. Shall we postpone this?

(*The same is agreed to.*)

(*Clause* 13 *is postponed.*)

ON CLAUSE 14.

Chairman.

387. There are no amendments on Clause 14, are there?—(Mr. *Hill.*) No.

(*Clause* 14 *is agreed to subject to further revision.*)

ON CLAUSE 15.

Chairman.

388. There are only two amendments on this clause. Is the first one drafting? At page 19, line 14, after "undertakers" insert "being companies"?—(Mr. *Hill.*) The first one was proposed by the Association of Municipal Corporations to make it quite clear, as was intended, that this should apply only to companies.

389. Are you satisfied, Mr. des Forges?—(Mr. *des Forges.*) Yes. (Mr. *Swift.*) I have a point on clause 15 for the County Councils Association which has not been met. It arises on subsection (7) which says: "Nothing in any enactment relating to the undertakers shall require any stock created or issued under this section in substitution for any redeemable stock to be offered for sale by auction or tender." The Association do not appreciate the necessity for that subsection, but if it is allowed, they ask that the undertakers should be required to obtain the approval of the Minister of Health prior to the issue of any substituted stock otherwise than by an offer for sale by auction or tender. The reason for the Association's request there is that water undertakers have to offer their original stock for sale by auction or tender. As the Bill stands there is nothing to prevent them issuing redeemable stock which has to go out to the public on certain terms (thus providing a safeguard that the interest, etc., is not excessive) and then redeeming it, perhaps in favour of a limited clique of shareholders or directors, who may be shareholders, on terms which are advantageous to the shareholder, and issuing new stock in substitution carrying a very high rate of interest to the detriment of the consumer.

390. Can you meet this?—(Mr. *Armer.*) This is common form in local Acts for water, and the drafting committee followed the decision of Parliament.

391. There is nothing new in it?—(Mr. *Swift.*) I submit it is not universal in local Acts and that it is a point of substance.

392. When you say "it is not universal in local Acts" do you mean there is an alternative?—I mean local Acts do not always contain this clause.

393. That we know?—It cannot be said that all local Acts have it in.

394. There is no other alternative?—No, I have no precedent for an alternative, but I submit it is a point of substance. Where the public as consumers are safeguarded under the original issue of stock, they ought likewise to be safeguarded on the issue of substituted stock, because if the companies pay excessive interest or issue stock at a discount or redeemable at a premium, then they have less surplus funds with which to reduce their charges to consumers. It would not be any hardship on them to have to obtain the approval of the responsible minister if they chose to ignore the auction or tender provisions.

395. What is you view, Mr. Armer?—(Mr. *Armer.*) This is merely to be given in exchange, I understand, to somebody who has redeemable stock, and I do not think the auction clause could possibly apply. The same provision as we have is in the Gas Undertakings Act, 1934. That is a public general Act.

Mr. *James Griffiths.*

396. Do you think the public interest is adequately safeguarded? How do you meet the point that this might be done, if I gather the words correctly, in the interest of a clique of shareholders—to substitute a higher rate of interest for a lower rate of interest to the detriment of the consumers? Is that safeguarded?—We do not think it could be done.

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER. [*Continued.*

397. Can it be done under this clause?—No. (Mr. *Swift.*) I have a financial witness here, Mr. Keen of W. B. Keen & Company, Accountants.

Chairman.

398. The point is that this a model clause in local Acts. Are we going to make an alteration in the law which is now fairly universal? That is the point. We should have to put in a repeal clause, I imagine?—(Mr. *Hill.*) Sir Frederick reminds me that the form of the clause for local Acts was settled by the Board of Trade both as to gas and as to water, and the gas clause has been on the Statute Book in a public general Act for five years now.

399. A similar clause in a public Act?—Yes.

400. A similar clause for gas as well as being a model clause for water?—A local Act clause for water.

Mr. *Edwards.*

401. Shall we hear what the financial expert says?—(Mr. *Keen.*) The point is a perfectly simple one. Apart from the question of precedent, or the inclusion of any clause on these lines in a public Act, if the original stock issued is subject to control as to the interest and the terms of issue, either by the price of issue and terms being approved by the Ministry, or by the operation of the auction clauses, if it is possible for the company to substitute a different stock for that on terms which are not subject to any control, they obviously can make the original control of no effect. The suggestion therefore is that if the substituted stock is not to be sold by auction or tender, which in the case of a conversion operation would obviously be difficult if not impossible, in those circumstances, the terms of the redemption should be subject to the approval of the Ministry.

Chairman.

402. I see your point. Sir Frederick, your point is that if you put this in here, you would have a different code for water from that which you have for gas?—(Sir *Frederick Liddell.*) This only applies to preference stock and debenture stock.

Mr. *Edwards.*] Can the Ministry meet that point? It seems to me it is rather a point of substance, and the Ministry ought to look into it.

Mr. *James Griffiths.*

403. Could we hear Mr. Armer on it?—(Mr. *Armer.*) I think there is a difference between us as to the interpretation of the clause and I suggest that we might have a further discussion.

Chairman.] Very well.

(*Clause* 15 *is postponed.*)

ON CLAUSE 16.

Chairman.

404. The National Association of Fishery Boards suggests the following amendments: page 21, line 15, at end add, "or, in the case of an offence relating to a stream within a fishery district, the fishery board for that district"?—(Mr. *Hill.*) This has been put in to meet a doubt expressed by the fishery boards as to whether they would be persons aggrieved in cases of an offence.

Chairman.

405. Are there any objections?—(Lieut.-Commander *Walker.*) I speak on behalf of the National Association of Fishery Boards. The object of this amendment is to enable fishery boards to institute proceedings without the consent of the Attorney-General. I understood from the Ministry of Health that it was their intention when the Bill was drafted, that this should be done and perhaps I may refer your Lordship to Clause 14 of the schedule, on page 33?

406. What do the Ministry of Health say?—(Mr. *Hill.*) I thought we had met this gentleman. If we have not, perhaps the amendment had better be taken off the paper.

407. He says he will meet you?—(Lieut.-Commander *Walker.*) Thank you.

Mr. *Edwards.*

408. Could we be clear as to what happens there? I think the Ministry said that it had better be taken off the paper?—(Mr. *Hill.*) If it did not meet the point. I understood it did.

Mr. *Edwards.*] We are told it does not.

Chairman.

409. I think you said you would meet him?—(Mr. *Armer.*) A number of amendments have been suggested by the National Association of Fishery Boards. This is one of them and we have accepted it. There is one which comes later on which we have not accepted, and I think that is possibly the provision to which the representative of the Association refers.

410. Does that satisfy you?—(Lieut.-Commander *Walker.*) I am not quite clear what Mr. Armer means.

411. I am sorry. I thought he said he had met you or he would meet you. Does this amendment meet you?—Yes.

Chairman.] Then, when we get to the difficulty, we will take it in its place.

(*Clause* 16 *as amended is agreed to, subject to further revision.*)

(*Clause* 17 *is agreed to, subject to further revision.*)

On New Clause 18.

Chairman.

412. The next amendment is after Clause 17 to insert the following new Clause: "18. Nothing in the foregoing provisions of this Act shall authorise the development of any land or the erection of any buildings or the execution of any works in contravention of any requirements or restrictions imposed by or under any enactment as to the erection, placing or making of buildings, erections or excavations, or the construction, formation or laying out of means of access to or from any road, or as to the submission of plans and specifications or the giving of notices to a local authority or in contravention of any provision contained in a scheme made under the Town Planning Act, 1925, or the Town and Country Planning Act, 1932, or any enactment repealed by either of those Acts"?—(Mr. *Hill.*) This amendment has been put down in the hopes of meeting several groups of local authorities who were afraid that something in the body of the Act might enable undertakers to disregard byelaws, or the Restriction of Ribbon Development Act, or town planning schemes.

413. I should rather doubt if you have had time to consider it yet, have you?—(Mr. *Swift.*) I have considered it on behalf of the County Councils' Association, and I am satisfied with the clause.

414. Is there anybody dissatisfied?—(Mr. *Hill.*) There is one drafting correction, four lines from the bottom of the clause "notices to a local authority" ought to be "notices to any authority".

415. Does that meet the municipal corporations?—(Mr. *des Forges.*) Yes. I take no objection to new Clause 18.

(*New Clause* 18 *is agreed to subject to further revision.*)

On New Clause 19.

Chairman.

416. The following new Clause 19 is suggested: "If, in consequence of an order made under paragraph (*d*) or paragraph (*e*) of subsection (1) of section one of this Act, any officer or servant of a local authority is transferred to the employment of another person or his appointment is determined or his emoluments are diminished, the provisions of subsections (2) to (4) and (6) of section one hundred and fifty of, and the Fourth Schedule to, the Local Government Act, 1933, shall apply in relation to him—(*a*) as if the order were an order made by the Minister under Part VI of the said Act of 1933; and (*b*) as if the order provided that any officer or servant of a local authority who by virtue or in consequence of the order might suffer any direct pecuniary loss by reason of his transfer to the employment of another person or the determination of his appointment or the diminution of his emolument, and for whose compensation for that loss no other provision was made by or under any enactment for the time being in force, should be entitled to receive compensation from the local authority."—(Mr. *Hill.*) New Clause 19 has been agreed with the well known association concerned.

417. You mean the N.A.L.G.O. people?—Yes.

418. It has been agreed?—Yes.

Chairman.] Is there any objection?

(*New Clause* 19 *is agreed to subject to further revision.*)

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker. [*Continued.*

On Clause 18.

Chairman.

419. Now we come to Clause 18 of the Bill, and the first amendment is at page 21, line 33, at end insert "provided that it does not include a railway company or navigation authority having statutory power to sell surplus water."—(Mr. *Hill.*) That proviso is put in at the request of the railway companies, one of whom at any rate, has statutory powers to sell surplus water at, I think Crewe. Of course they are not ordinary water undertakers.

Chairman.] Are there any objections?

(*The same is agreed to.*)

Chairman.

420. The next amendment is, page 22, line 4, leave out "or"?—(Mr. *Hill.*) "or" in line 4 is a printing error. It has crept in by mistake. It says "public or general"; it should be "public general."

Chairman.

421. Then at line 12, after "board" insert "and 'watercourse'"?—That is merely to bring in a statutory definition of a "watercourse."

Chairman.] Are those amendments agreed to?

(*The same are agreed to.*)

(*Clause* 18, *as amended, is agreed to, subject to further revision.*)

On Clause 19.

Chairman.

422. The first amendment is page 22, line 33, leave out from "with" to the first "for" in line 36, and insert "(i) any Act or part of an Act passed after the end of the next session of Parliament commencing after the passing of this Act; and (ii) any provisional or other statutory order made after the commencement of this Act"?—(Mr. *Hill.*) The first amendment requires a little explanation. The first subsection of the Bill says that the provisions of the First Schedule are to be incorporated with future water Acts and water orders. It was pointed out to us that, of course, the local water Acts for this next session are probably far advanced in the drafting and that therefore it was desirable to leave a gap of one year in the case of Acts. So we have said that they shall be incorporated with any Act passed after the end of "the next session of Parliament after" the passing of this Act. That is the point of that. In the case of orders, the same point does not arise and therefore we have separated off orders and left the old provision "any provisional or other statutory order made after the commencement of this Act."

Chairman.

423. Is there any objection?—(Mr. *C. E. C. Browne.*) I do not know what the effect of that amendment would be in regard to the repeal of the Waterworks Clauses Act in Clause 22. I understand the Ministry have the point in mind. (Mr. *Hill.*) I agree there is a point to be considered.

(*The same is agreed to.*)

Chairman.

424. The next amendment is on page 23, after "proposal" insert "and is not withdrawn"?—(Mr. *C. E. C. Browne.*) On this clause for the Corporation of the City of Bradford, I have to raise a large point of principle. The point of principle, putting it quite shortly, is this. Instead of the Minister having the power by order of his own motion to apply the First Schedule provisions to a statutory water undertaking, that power should exist only where the undertakers themselves ask for these provisions to be applied to them. I would draw attention to this, that not only may the Minister apply all or any of these provisions to a statutory water undertaker but he may apply them with such modifications as he thinks fit. I do not know what that might not enable him to do. It might enable him to make any change he liked in the form of the scheduled provisions as applying to any particular undertaker. Speaking, as I say, for the Bradford Corporation, their water undertaking includes, in addition to the City of Bradford, a very considerable area beyond the City. I may say when I am making observations on this clause that I have particularly in mind, and the Corporation are particularly apprehensive

in regard to, the provisions of Part X of the Schedule under which the whole of every communication pipe, whether it is in the City of Bradford or elsewhere, within their limits of supply, would be transferred to the Corporation and they would become liable to maintain and keep those pipes in repair. The cost of that to the Bradford Corporation is estimated at something between £3,500 and £4,000 a year. The Bradford water undertaking is in this position. The Bradford Corporation are charging for domestic water the full authorised rate and, notwithstanding that, the revenue does not meet the expenditure and the deficit has to be met by a rate in aid, not charged of course on the whole of the limits of supply, but charged only on the ratepayers of the City of Bradford. If you are going to add to that deficit something like £3,500 or £4,000 a year, you are going to make the Bradford City ratepayers bear a considerable additional burden, not only for the benefit of the City but for the benefit of the consumers outside the City who now have to maintain at their own expense these communication pipes. That is why we are particularly apprehensive as to what may be done under this Clause 19. We do suggest to this Committee that statutory water undertakers are the best judges of the provisions which should apply to their undertaking, and while some of these provisions may be extremely useful and the procedure here is delightfully simple from some points of view as a method of obtaining these powers, yet we suggest that the application of these powers should only be on the application of the particular water undertakers. That summarises the whole of the effect of the amendments which are attached to the memorandum which your Lordship has before you, and I do earnestly ask your Lordship to say, first of all, that these provisions shall not apply except on the application of the water undertakers; secondly, that the Minister shall not have a free power in applying those provisions to make whatever modifications he thinks fit, and, thirdly, that no more or other of the scheduled provisions should be applied to any particular statutory water undertaker than he asks for.

425. Your other amendments apply to the same point, do they?—They are all on the same point and it is a point of principle. If your Lordship will decide that point of principle, then we could no doubt quite easily settle the amendments to give effect to it.

426. That will take a little time to discuss, will it not?—Yes.

427. We had better discuss it after lunch. Perhaps you had better finish off the other things. We have two minutes. Have you finished your argument?—I have finished my observations. If your Lordship has any doubt about this, I should ask the Committee to hear the chairman of the Bradford Corporation Water Committee.

428. We might go into it after lunch; there is no time now. There is another point on Clause 19 at page 23, line 26, after " proposal " insert " and is not withdrawn "?—(Mr. *Hill*): This is a drafting amendment, I think.

Chairman.] Is that agreed to?

(*The same is agreed to.*)

Chairman.

429. Then line 27, at end insert, " and any order made by him shall be provisional only and shall not have effect until it is confirmed by Parliament "?—(Mr. *Hill*): That is a substantial amendment. I should have thought that that might prove to be an answer to the objections of the Bradford Corporation.

Chairman.

430. Perhaps we will discuss that with the other point. I just wanted to make one or two observations. We will go on with this question of Clause 19 afterwards. On Clauses 20, 21, 22 and 23 I think there are no amendments?—(Mr. *des Forges*): I have a lot to say on those.

431. Which one?—On Clause 22 particularly.

432. Have you anything on Clause 20?—On Clause 21 there is a point.

433. If you have an amendment on Clause 21, we will pass Clause 20 unless there is something to be said.

(*Clause 20 is agreed to, subject to further revision.*)

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker. [*Continued.*

Chairman.

434. We will pass on to Clause 21 after we have finished the discussion on Mr. Browne's amendment?—(Mr. *des Forges*): I shall have something to say on Clause 19. I have been asked by some of my friends here, if the Committee would be so good as to indicate whether they propose to sit to-morrow.

435. I think we do?—And no further this week?

436. We shall probably sit all day to-morrow if that suits the Committee. Anyhow, up to 3.45 or 4 o'clock?—Would you go on on further days this week?

Chairman.] I do not think we can manage this Thursday.

After a short adjournment.

On Clause 19.

Chairman.

437. We were in the middle of Mr. Browne's argument?—(Mr. *C. E. C. Browne.*) I think I had very nearly come to the end of what I had to say. I should like to make one observation upon the suggestion that, to some extent at any rate, our case would be met by the proposal that Orders made by the Minister of Health should be provisional only. First of all, I am by no means sure that that is a practical proposition—whether it could be carried out in practice. Secondly, it would not be satisfactory. It would not meet my clients' views. If I may deal with the second point first, the position would be that we should apply to the Minister for an Order, or he could make his own Order. Although we apply for the Order, it does not follow that the Order is made in the terms in which it is asked for. The Minister may leave out some of the clauses which we should like to have applied to our undertaking; he may add other clauses which we should not want applied to our undertaking's area; and (perhaps this is worst of all) he could exercise his quite indefinite power of making any modifications he pleased in the clause. But, as regards the procedure, I do not know whether the Ministry have fully considered how it would work out, because one must suppose that an Order is made by the Minister which is not approved by the undertaker to whom it relates. That Order would be provisional, would be scheduled to a confirming Bill, and the undertaker to whom the Order related would have to petition against the Bill. What is the Ministry going to do then? It is always their practice, in the case of Provisional Orders made by that Department when they are opposed at the stage of a confirming Bill Committee, to say to the undertakers or other persons who applied for the Order: " Now you must see this thing through the Committee," but the only parties here concerned would be the Ministry who had made this Order against the wish of the undertaker and the undertaker himself petitioning against it. Are the Ministry going to employ Counsel to promote the Bill, and is the undertaker to employ Counsel to oppose the Bill, or what is the procedure to be? I suggest, my Lord, that in the case of an Order objected to by an undertaker, the procedure would not be practicable, and, as I say, it certainly would not meet the point we have in mind, because, with all respect to the Ministry of Health and with great admiration for them, we cannot put ourselves entirely in their hands as to what clauses should be imposed and in what form they should be imposed upon our undertaking.

438. I think the Association of Municipal Corporations are going to give their valuable support to Mr. Browne?—(Mr. *des Forges.*) Yes, my Lord; my Authority have put in before the Committee their views on this clause.

439. Are you on any other point or only on Mr. Browne's point?—I have another point.

440. I think we would rather like to take Mr. Browne's point first. It is rather an important point and we would like to have your views in his support, if you would not mind taking that first?—Yes. My Association, in their memorandum put forward to this Committee, stated that they took the strongest exception to, and had the gravest concern about, this proposal which they thought,

if agreed to, might result in their losing a great many of their local Act powers which they have obtained by application to Parliament over a great number of years. For that reason, my Lord, they hoped that the Ministry would have been able to meet them by agreeing to a clause, or that the Committee would insert a clause, to the effect that the Order of the Minister should not be made in respect of a water undertaker, except on the application of that undertaker for such an Order. I must say, with regard to the amendment that has been put forward by the Ministry, I have listened with a good deal of interest to what Mr. Browne has said. Of course, he is a great authority on Parliamentary procedure and I am not, and for the moment I have no doubt what he has said is quite right and I adopt it, but personally what we would like, of course, is that this clause should not take effect except upon the application of an undertaker. (Mr. *Seager Berry*.) May I say something on behalf of the Sunderland and South Shields Water Company before the Ministry reply to this? The Sunderland and South Shields Water Company have put in a memorandum which deals, among others, with this clause, and they do strenuously object to the powers sought by the clause whereby the Minister will be enabled to repeal, without any right of appeal, the provisions in Private Acts which have received the careful consideration of Parliament and which have for so many years been found to work very satisfactorily. They desire to adopt, if they may, the arguments Mr. Browne has adduced against this clause and also the arguments which he adduced against the satisfactory working of the Provisional Order procedure which the Ministry of Health suggest should be adopted. (Mr. *Swallow*.) On behalf of the Urban District Councils' Association, my Lord, I am here in a dual capacity: I represent water undertakers, and on their behalf I must perforce support the representations which have already been made as to the undesirability of imposing conditions which may be totally inapplicable to a particular undertaker except on the application of that particular undertaker. But I also represent a large body of consumers of water, and, as regards two Parts of the Schedule (that is, Part X and Part XI) dealing with the taking over by the undertakers of communication pipes, the Association wish strongly to urge that, if there is any relaxation of Clause 19, Parts X and XI of the First Schedule to the Bill should be transferred to the body of the Bill so as to come into operation almost immediately, subject to the conditions which are being considered by the House of Commons in connection with the Water Supply Bill this evening. This Bill has not yet been mentioned to the Committee, but it is a Private Member's Bill called the Water Supply Bill which has passed through Committee, and I think without any serious dissent. It is proposing as a universal measure to transfer the responsibility for the maintenance of service pipes in highways to the water undertakers. An agreement has now been reached which will be embodied in the Bill on the consideration stage in the House of Commons to-night, by which that will come into operation on the 1st April next, subject to a provision by which undertakers firstly may delay its operation or secondly may apply to the Minister of Health for an increase of charges; so I do ask that, if there is any modification of Clause 19 of the Bill which deprives the Minister of his discretion to impose the obligations contained in the Schedule on water undertakers individually, that should be coupled by a decision of the Committee to transfer to the Bill itself Parts X and XI (I think they are) dealing with communication pipes. (Mr. *des Forges*.) May I just say this in answer to the point raised by Mr. Swallow. He said, I think, that it was an Agreed Clause in this particular Bill. I do not think my Association, representing those Authorities we do, have agreed to it. As a matter of fact, I believe the Bill will be objected to in the House to-night. (Mr. *Winser*.) The Colne Valley Water Company and the Rickmansworth and Uxbridge Valley Water Company have some points to raise on the Schedule to this Bill, but I am asked to object to Clause 19 and to support the objections which have been raised already.

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER. [*Continued.*

441. You are speaking for——?——the Colne Valley Water Company. The fact of being exposed to having a Schedule imposed upon them is a matter of serious objection, for the reason, among other things, that they have a Bill in Parliament this Session; their legislative powers are nearly up to date, and they strongly object to having the new code imposed upon them without any opportunity of resisting it, if the Minister should so decide. (Captain *Ellen*.) May I speak on that point on behalf of the Federation of British Industries? Might I call your Lordship's attention, in the first place, to the Second Report of the Central Advisory Water Committee, page 6, paragraph 4. I will not take up the Committee's time by reading that out, but I will recommend it to their consideration. I would merely say that it seems to us that the effort here is to get a uniform code applicable to all undertakers. From the point of view of consumers, that is a most desirable thing, and, if the suggestion now before the Committee is adopted—that the code shall be imposed upon water undertakers only where they ask for it and that they can, in fact, pick and choose such parts of the code as they select, and reject the others—I think the present chaos of legislation in water which is now something of a nuisance is likely to go on indefinitely. That was not the object, I submit, for which this Advisory Committee was set up. (Mr. *Hill*.) I was simply going to point out to the Committee what I think the last speaker has really pointed out to them, that, in so far as this Draft Bill with its Schedule is designed to secure uniformity among water undertakers, and more especially among the smaller water undertakers in England and Wales, it will completely fail in its object if the only people who can take the initiative are the water undertakers concerned. With regard to the people who have a thoroughly up-to-date code (Colne Valley was mentioned) there would probably be no point in applying this code, or much of it, to them: and in any case, with our amendment that any Order made will have to come before Parliament, surely it cannot be said that somebody is taking away, or proposing to take away, from these waterworks undertakers something which they have obtained by local Act. If anybody takes it away, it will only be Parliament. I feel myself that it will be absolutely hopeless to get this Schedule adopted by a large majority of the undertakers, if the initiative of adopting it is left to them.

442. There is one thing I wanted to ask you, Mr. Hill: there is no machinery for Local Inquiry, is there?—I think it follows under the Local Government Act of 1933, under the Provisional Order code, but I would not be certain. (Mr. *Armer*.) There must be a Local Inquiry under the clause. It is mandatory.

443. The point is this:—the opposition object to having their local Act brought into line with the general Act on the initiative of anybody but themselves. You will correct me, Mr. Browne, if I am mis-stating anything, and, Mr. Hill, you will, too?—(Mr. *C. E. C. Browne*.) If your Lordship pleases.

444. They object to that. The Ministry of Health say: "Unless the Minister has powers to bring them into line, this Bill will really have no proper effect in bringing things into line." The powers which are possessed by the undertakers and others are these: they have a Local Inquiry before the Provisional Order. Then the Order has to go to Parliament and is brought in as a Bill in the ordinary way, so that the Ministry of Health contend that the water undertakers have the opportunity of opposing on the Local Inquiry and again of opposing in the House and when it goes to a Committee in both Houses. That is quite correct, is it not, as a statement? It is a very important point, I think?—I do not know whether your Lordship would allow me to make some observations on what Mr. Hill has said?

445. Yes, do?—The Local Inquiry, first of all, would be heard before the Minister who, against the will of the undertaker, has decided to make the Order. I do not think he would be suitable.

446. It is the ordinary Local Inquiry?—Secondly, it is a matter of common knowledge to your Lordship and the Members of the Committee that a Bill

which is proposed to confirm a Provisional Order made by a Government Department comes with a certain cachet which is a little difficult for opponents to get over. The Committee cannot dismiss from their minds that this Order has been made by a responsible Department under statutory powers and presumably after due consideration, and really, speaking quite frankly, the opponent has not half the chance of successfully resisting an application of that kind that he has in the case of a Private Bill. I would be very glad if Mr. Hill would answer the question I put to him before as to what the procedure would be when this confirming Bill gets before the Committee opposed by the undertaker to which it applies and perhaps opposed by nobody else. (Mr. *Armer.*) If the Minister made an Order under those circumstances, he would have to employ Parliamentary Counsel and a Parliamentary Agent for promoting the Order. (Mr. *C. E. C. Browne.*) Would he charge the expense of doing so on the objecting undertakers? If so, we should have to pay two sets of Counsel, one to oppose and one to promote. (Mr. *Armer.*) He has no power so far as I know. (Mr. *C. E. C. Browne.*) He may make rules. (Mr. *Armer.*) He has no power to make rules.

Chairman.] I think we must leave this to be fought out between the Minister and the undertakers. This is a very important matter, and I think the Committee would like to discuss it in private, if you will clear the room, please.

(*The parties are directed to withdraw and after a short time are again called in.*)

Chairman.] The Committee have given very careful consideration to the representations which they have had the advantage of hearing, but they have come to the conclusion that they must allow the Clause with the amendment on this point in the same manner desired by the Ministry of Health.

(*Clause* 19 (*as amended*) *is agreed to, subject to further revision.*)

ON CLAUSES 21 AND 22.

Chairman.

447. Clause 20 I think we dealt with. Now we come to Clause 21, on which the Association of Municipal Corporations have a point?—(Mr. *des Forges.*) Could we take Clauses 21 and 22 together?

448. Please do, if that is more convenient?—The main issue is really on Clause 22. What we fear in relation to Clause 22 is this, that, if it is passed in its present form, it will have the effect of taking away many of our Private Act powers that are in the body of the Bill. You will remember my Lord, you have been dealing with the Private Act powers that are in the Schedule, and in relation to that your Committee have just decided that there we should have the advantage of Provisional Order procedure. Clause 22 will simply repeal, without any Provisional Order procedure or anything else, automatically our local Act provisions that are contrary to the provisions in the body of the Bill. My Association do feel that, as many of these Clauses which have been agreed to and passed by your Committee, my Lord, this morning are of great importance, some of them altering their local procedure very extensively, they should not be automatically put into effect in their area in the Bill, I believe, by October, but probably a month or two later. I ask, on behalf of my Association, in regard to that matter, that we should follow the procedure in the Public Health Act of 1936. I think that is, my Lord, a very good precedent that I would ask you to consider, because it is a very recent Public Act, and I believe your Lordship presided over the Committee that considered that. When that was passed, what that Section provided was this: " Where at the date of the passing of this Act there is in force " in a county borough or in a county, and so on, " and the said local Act contains provisions appearing to the Minister either to be inconsistent " and so on, " the Minister on the application, in the first mentioned case, of the county of the county borough, and, in the second mentioned case, of the county council or of the local authority, as the case may be, may by order make such alterations, whether by amendment or by repeal, in the local

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER.

Act as appear to him to be necessary." I do say, my Lord, that, although you have rejected that in Clause 19, which is the consolidation, you have provided that we may come to Parliament as a water undertaker if the Minister's Order is such that we object to it: in this proposal our local Act powers are going to be struck out without any further consideration.

449. Except that this clause is the enacting clause for the Third Schedule, is it not?—We do not object to this, my Lord, that it should repeal the Third Schedule in so far as it is not already applied to a water undertaker by Act, if I am clear about it, my Lord. At the present time the provisions in the Waterworks Clauses Act are applied to a water undertaker in a Private Bill by private legislation. The provision is that those authorities who have the Waterworks Clauses Act applied to them will continue to have them notwithstanding Clause 22. What Clause 22 does is that it strikes out of legislation the old Acts, and, therefore, if I want to promote a Bill for a water undertaking (if this Bill is passed), I cannot incorporate the provisions of the Waterworks Clauses Act, 1847, but I must incorporate these provisions. I do not object to that, but what I do object to is the point that these clauses in the body of the Bill itself that you have been considering during the last two days should automatically on a given date only a few months hence take the place of our local legislation to-day without any chance, as in Clause 19, of review by anybody else. I do not know if I make myself clear? (Mr. *Hill*): So far as they are inconsistent. (Mr. *des Forges*): I agree; many of these clauses are inconsistent with our local Act provisions. (Mr. *Hill*): Yes. (Mr. *des Forges*): What we feel is that the hundreds of water undertakers of this country have not really had enough time (this is what I have had represented to me) to consider all these clauses and the effect of them.

450. In the Third Schedule?—No, in the body of the Bill.

451. As compared with the clauses in the Third Schedule?—No, as compared with their own private legislation.

452. I beg your pardon; I see?—They feel that this clause should not go forward as it stands in relation to this matter: that they should not be called upon to lose such of their local Acts clauses as are inconsistent with the clauses in the body of the Bill—not in the Schedule—unless they apply to the Minister for an Order to apply those clauses to them just in the same way as Parliament gave so recently as 1936 in relation to similar legislation.

453. What is your amendment: you have not got one down?—I have amendments I could put in. I am afraid they are rather lengthy. If you decide in principle with me, I have no doubt we could agree them. (Mr. *Hill.*) I am afraid there may be a little misapprehension about this, and I should like to clear it up at the outset so that the Committee may quite understand what the position is. I would like to deal separately with provisions in the body of the Bill and provisions in the First Schedule which may be applied to undertakers by Provisional Order. With regard to the provisions in the body of the Bill, they are provisions which, when finally amended by the Committee, the Committee pronounce as applicable to all water undertakings in the country. Surely, when that has been decided, it is only logical and necessary to say that as a certain new provision is to apply all over the country to every water undertaking, if any little water undertaking or any big water undertaking has got an inconsistent local provision that must give way to the general provision. Of course, it is only repealed in so far as it is inconsistent. If it had additional provisions which were not inconsistent, the local Act provision, so far as it was additional but not inconsistent, would not be touched: but, if the Committee decide that these are general clauses which should apply all over the country, surely the inconsistent provisions ought to be got off the Statute Book? That is really the position as regards the clauses in the body of the Bill. The clauses of the Schedule, when applied, might perhaps be dealt with separately. (Mr. *des Forges.*) I think Mr. Hill's argument is a little defective, to this extent, that you have conceded the point of Provisional Order in regard to the Schedule,

and you are going through the Schedule, I imagine, my Lord, with just as much care as you have gone through the body of the Bill.

454. I hope so.—I should like to remind you of another provision. The procedure I suggest, that is, the Public Health Act of 1936, has also been followed by the Food and Drugs Act of 1938, both of which Committees I think, my Lord, you presided over. I suggest that in legislation of this sort, as these provisions in the body of the Bill, at any rate, are very many of them largely new (you must remember, my Lord, you did distinguish the fact that you are not proposing to give sweeping new provisions except under a new code for the administration of all water undertakings), it is not fair that local authorities who have obtained local powers through Parliament, very often at great cost, and in very hardly-fought Bills, should now have those clauses taken away from them on this particular Bill. I ask you for that reason——

455. Would you mind telling us shortly what your amendment says?—Shortly, my amendment says this, my Lord, that Clause 22 shall not take away any of our local Act provisions unless the undertaker applies to the Minister for an order to that effect.

456. Your real point, I think, Mr. Hill, is practically the same as on Clause 19, is it not?—(Mr. *Hill.*) No, my Lord.

457. I do not follow?—The real point is that the body of the Bill contains clauses which in an amended form Parliament is asked to declare suitable for all water undertakings, and the point is, in whatever form Parliament passes those clauses, inconsistent local enactments should and must give way. That is the point. It is quite a short point.

458. It is not quite the same but there is a good deal of similarity?—If Parliament thinks these clauses ought not to apply to all water undertakings, then they ought to go into the Schedule and be applied by Provisional Order to the particular undertakings to which Parliament thinks they ought to apply. (Mr. *des Forges.*) That would satisfy me, of course.

459. Are there any further points?—(Mr. *C. E. C. Browne.*) Might I on Clause 22 make what I hope may be the last observation I have to make on behalf of the Metropolitan Water Board? Your Lordship has inserted a clause taking the Metropolitan Water Board out of the operation of the Bill. That clause was designed with the intention and, I hope, the effect of keeping alive the enactments mentioned in the Third Schedule in relation to the Metropolitan Water Board, to this extent, that if the Board want to promote a Bill in the future it will be open to them to incorporate with that Bill the provisions of the Waterworks Clauses Acts, just as they can to-day. I hope that I may have the assent of the Ministry in that. That was our intention and we believe that that is the effect of the clause.

460. Are there any other points?—(Mr. *Helliwell.*) Might I mention on behalf of the Brighton Corporation we are a little apprehensive that Clause 22 as it stands would have the effect of repealing powers which the Committee have expressly said this morning should be preserved to us, notwithstanding that there is a corresponding clause in the Bill. The Ministry is seized of that point and I understand would be willing to discuss the matter with us.

461. Are you ready to deal with it?—(Mr. *Hill.*) If any one Corporation have some small point, it does not seem worth while wasting the Committees time discussing it here. (Mr. *Helliwell.*) I cannot let that pass, with respect. It is not a small point.

Chairman.] I think we shall have to clear the room on this.

(*The Parties are directed to withdraw, and after a short time are again called in.*)

(The Earl of Onslow *retires and the chair is taken by* Major Mills.)

Major *Mills.*] The Committee have decided to allow both Clauses 21 and 22.

(*Clauses 21 and 22 are agreed to, subject to further revision.*)

On New Clause 23.

Major *Mills.*] Is there anything on Clause 23?

Mr. *Medlicott.*] May I suggest that the last four words " for the time being " should be altered to " from time to time " on the new Clause 23.

Major *Mills.*] We agreed to new Clause 23 earlier in the day.

Mr. *Medlicott.*

462. I was suggesting that we should alter the last four words to read, not " for the time being " but " from time to time "?—(Mr. *C E. C. Browne.*) As a point of practice I do not know that it would make very much difference. I do not know what the Ministry of Health have to say. I think in either case when the clause has to be read as being put into operation you have to have regard to the area of the Board as then constituted, but perhaps the Ministry of Health have something to say. (Mr. *Hill.*) Personally I should have drafted it as Mr. Browne has drafted it, but I should doubt with him whether it makes any difference.

Major *Mills.*] Has anybody anything else to say on that? You would like to have that altered to " Nothing in this Act shall apply to, or have effect in relation to, the Metropolitan Water Board or their undertaking as constituted from time to time "?

Mr. *Medlicott.*] That is so.

Major *Mills.*] Would that be agreed? My only difficulty is that early in the day we had passed that clause as drafted.

Mr. *Medlicott.*] I do not press the point.

Major *Mills.*] I rather hesitate, as the Temporary Chairman, to accept the amendment.

Mr. *Jeffreys* (*Committee Clerk*).] I do not think it was formally passed.

Major *Mills.*

463. Has Mr. Hill anything to say? (Mr. *Hill.*) No, I have nothing to say. I think it is quite reasonable for the Committee to make the alteration, if they think it desirable.

Major *Mills.*] Is that agreed? The last four words are to be altered to " from time to time "?

(*The same is agreed to.*)

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker.

New Clause 23 (*as amended*), *is agreed to, subject to further revision.*

On Clause 23.

Major *Mills.*] Now on old Clause 23, which is the short title: Has anybody anything on that? Old Clause 23 stand part? (*Agreed.*)

Clause 23, *is agreed to, subject to further revision.*

Major *Mills.*

464. Then we come to the First Schedule?—(Captain *Ellen.*) Before you come to the First Schedule, may I call your attention to the additional clause which the Federation wish to move on page 2 of their Memorandum. It refers to interference with riparian rights in rivers, streams, and watercourses. It is the Memorandum of the Federation of British Industries of 23rd June.

465. It is paper 5, page 2?—" The Federation asks for the inclusion of an additional Clause, reproducing Section 13 of the Public Health (Drainage of Trade Premises) Act, 1937, as follows:—" (it is on page 2 of the Memorandum) " ' Nothing in this Act shall affect any right with respect to water in a river, stream or watercourse, or authorise any infringement of such a right ' ".

466. Yes?—The Committee will remember that the Drainage of Trade Premises Act, 1937, and this present Bill, both have the common property of endangering riparian rights in streams. In the Bill that the Committee is now considering there are numerous powers to drain lands for the protection of water resources against pollution. Those are contained in Clauses 10 and 11, and in Clause 12 there are bye-law-making powers again for the protection of water against pollution. It is very difficult to say exactly how far riparian rights may be affected by those clauses or in fact by numerous other clauses of the Bill, and we ask the Committee to insert this declaratory clause that " Nothing in this Act shall affect any right with respect to water in a river, stream or watercourse, or authorise any infringement of such a right " as a protective provision on exactly the same lines as

the clause was introduced into the Act of 1937 and with a similar object.

467. Mr. Hill, have you anything to say?—(Mr. *Hill.*) This clause goes so far that, if it were introduced, it would virtually nullify the whole of the provisions of the Bill. Really, I do not think any of these clauses or scarcely any of these clauses would be worth anything if that clause went in in its present form. We have ample provisions for giving notice to people who may be affected, notice of this, that and the other, notice by advertisement in the Gazette and provisions for compensation, but this would absolutely " stymie " all action.

Mr. *James Griffiths.*] It seems to me it would destroy the whole Bill.

Major *Mills.*] I do not think we could accept that.

(*The amendment is not agreed to.*)

Major *Mills.*] Is there anything else before we come to the Schedule.

On Clause 1 of First Schedule.

Major *Mills.*

468. Now we take the First Schedule, page 26, line 8, leave out from " in " to end of line 9 and insert " a statutory order." Line 9, at end insert " statutory order ' means an order confirmed by, or made under, an Act of Parliament?——(Mr. *Hill.*) Those two are purely drafting. They are really splitting up one sentence. The next amendment: line 12, leave out lines 12 to 14, is, I think, probably a matter of considerable dispute between other persons in the room.

469. The two drafting ones, no doubt, we will allow. Is that agreed? (*The same are agreed to.*) Line 12, leave out lines 12 to 14. Does anybody wish to be heard on that?—The point is, Sir, whether the Acquisition of Land (Assessment of Compensation) Act, 1919, should apply to persons who are not a local or public authority. As to that, I understand there is a good deal of difference of opinion. (Mr. *Marshall.*) I represent the Central Land Owners' Association, and this is a point which is by far the most important from my clients' standpoint which they have to raise before the Committee. I may say that it was included in my amendments. It is now included in the Ministry of Health's, and frankly I am not quite clear from the somewhat tepid attitude of the representative of the Ministry of Health as to whether they are moving this amendment definitely and are supporting me in it or not. (Mr. *Armer.*) We are moving it certainly. (Mr. *Marshall.*) It might shorten matters if I sit down and see if there is anybody to the contrary.

470. Is there any opposition to this? If not, it seems to be agreed. It is agreed that on page 26, line 12, we leave out lines 12 to 14? (*The same is agreed to.*) How will that read? It ends " as amended by any subsequent Act "?—(Mr. *Hill.*) " As amended by any subsequent Act." The next three lines come out.

471. Line 30, leave out " street or length of a street," and insert " part of the street "?—I think that is fairly described as drafting.

472. Is that agreed? (*The same is agreed to.*) Page 27, line 23, at end insert " provided that it does not include a supply of water for the business of a laundry or a business of preparing food or beverages for consumption otherwise than on the premises "?—That is to make clear that, although a supply of water for washing is domestic supply, that does not extend to the washing of clothes in a laundry, and also to make clear that, although water for drinking and cooking is domestic, it does not extend to businesses of preparing drinks or preparing food for sale off the premises. I do not think anybody opposes it.

473. I think that seems clear. Would anybody like to say anything on that?—(Mr. *des Forges.*) I would like to say something on another point on this clause, but not on this amendment.

474. Is the insertion of the proviso at the end of line 23 on page 27 agreed? (*The same is agreed to.*)?—(Mr. *des Forges.*) Would it be convenient if I made my point now? It is on this particular definition.

475. We had better have it?—What I am asked to put before the Committee is that the Committee should not allow

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker. [*Continued.*

this definition of " a supply of water for domestic purposes " to pass in such a form as that it will include a bath. The position in regard to this matter is this: if that clause goes through as it is drafted, when the effect of this schedule is applied to a water undertaker it will mean that he will not be able to charge the householder for the use of a bath. That is a very important provision in respect of many undertakers. When I remind you that that clause, if effective in Birmingham, would cost the Birmingham Water Undertaking £53,000 a year, you will well understand the importance of the point I am putting forward. I must remind you, Sir, of this, that the answer to that, I understand, will be, " Oh, yes, but you can alter your water charges so as to recover your £53,000 or whatever your loss may be from other people." But first of all, let me remind you that the people who would bear the greatest part of this burden would be the poorest people in the towns concerned. Those people who have not got baths to-day would pay for those who have, in addition to which charges would have to be put up to shops and business premises. My Association feel that all round it is not fair that this should take place unless it is part of a scheme of the undertaker concerned for the readjustment of his water charges. It has been done, as you know, Mr. Chairman, in many towns and on many occasions by order of the Minister under the Act empowering him to do it and it can be done again if this passes, but we do raise the strongest objection to this Committee leaving in a definition of a domestic supply in such a way that it will include any bath. I need not carry it any further, but the point is a very serious one, because although I have only cited Birmingham, there are scores of other local authority water undertakers who would be affected.

476. The limit of the size of the bath does not matter?—It does not matter. That is no help.

477. You want arrangements for a supply for baths only when it is a part of the rearrangement of your water charges?—That is so. (Mr. *Hill.*) I think possibly, after I have finished, this is a point on which Sir Frederick Liddell can give you some guidance, but it does seem to me to be a question of policy for Parliament. Years ago water undertakers were empowered to make extra charges for every water-closet and for every bath. Later, the power to charge for the first water-closet was swept away; now the power to charge for any water-closet has been swept away, and in the Public Health Act of 1936, which, of course, only applies to certain local authority water undertakers, the power to charge extra for a bath was swept away. As I say, I think it is mainly a question of sanitary policy for Parliament, whether any charge should be made for the one small bath in a house, leaving out of account the 50-gallon bath, which is somewhere near a swimming bath.

478. There is precedent for this?—(Mr. *Armer.*) The Public Health Act. (Mr. *Hill.*) Sir Frederick will tell you. Sir Frederick reminds me there is one subsection on page 23 of the Bill to which I should draw your attention. It was put in definitely to meet the case of some of these authorities who said that they would have to rearrange their charges before they could make this change. It says: " The Minister, when considering the making of an order under this section "—that is an order applying the schedule—" shall have regard to the powers, if any, and practice of the undertakers as regards additional charges in respect of water-closets and baths, and the probable effect of any Order made by him on the financial position of the undertaking and on the rates and charges payable by consumers of different classes." That was put in in some way to relieve the difficulty or at any rate to assure undertakers that their position would be considered separately and individually before an Order was made. As I say, I think it is largely a question of principle on sanitary grounds for Parliament, whether a charge should any longer be allowed in respect of a bath.

Mr. *James Griffiths.*

479. The question I desired to put to Mr. Hill was, did I gather correctly

from what he said, that under the Public Health Act, 1936—that is the Consolidation Act?—It was largely consolidation.

480. Where a local authority is the water undertaker it is not permitted to charge extra for a bath?—Where a local authority are the water undertakers and are supplying under that Act and not under a local Act, they cannot make a charge?—(Mr. *des Forges.*) That, of course, applies to nothing like the large number of undertakers that I was referring to. It is only to the very small undertakers that that applies, and probably in the rural areas. It does not apply to the big authorities such as I am speaking of who would lose these powers if it were given.

Major *Mills.*

481. Are not you satisfied with the safeguard contained in subsection 4 of Clause 19?—I think if the Ministry would give my Association some assurance that in considering this question they would not seek to abrogate the power of local authorities to charge for baths where they have done it over a period of years; if they would help me in some manner I should be quite prepared to accept any statement they make; because it is quite serious the extent of revenue that would be taken away if this proposal were accepted. If Mr. Armer could do that, I should be much obliged. (Mr. *Hill.*) I am asked to mention one fact which I omitted to mention, that the Metropolitan Water Board make no charges for baths. (Mr. *Armer.*) The Ministry would not wish arbitrarily to alter the charges for baths and water-closets under an Order by him or under an Order proposed by the water undertakers. It is quite obvious before you can take away those charges you must have a general reorganisation of the whole of the charges, but the Ministry do attach importance to the establishment of the principle that there should be no charge for baths, although you might not obtain it, perhaps, for 10 years. (Sir *Frederick Liddell.*) It is the deliberate policy adopted by the Committee on unopposed Bills not to allow any charge for the first bath, and when promoters brought forward a Bill altering their general rates the unopposed Committee always insisted as a condition of allowing them to raise their rates, that, if they had a right to charge for baths, that right should be struck out; and the Committees on opposed Bills have followed the policy of the unopposed Committee.

Major *Mills.*

482. Thank you?—(Mr. *des Forges.*) If I might say so, Mr. Armer has rather helped me in relation to the matter. I am prepared to leave it at that, that the Ministry will deal with the question when it arises, as Mr. Armer has pointed out.

Chairman.] I rather thought we had got to a point when we should be able to pass on.

Lord *Kenilworth.*

483. Stress has been laid on the point of a bath but do I read this clause correctly " a supply of water for domestic purposes " means a sufficient supply for drinking, etc., and also includes a supply for the purposes of the profession and where water is drawn from a tap for watering a garden, washing a vehicle, etc. Is not that to be charged for? Is that to come under domestic?—(Mr. *Armer.*) The supplying of water for garden purposes or for horses and so on is within domestic supply as defined here, provided no hosepipe is used. (Mr. *Hill.*) And if there is no outside tap.

Lord *Kenilworth.*] That seems to me a very much more serious matter than a bath.

Major *Mills.*] I suppose that it is partly limited by the fact that you have to draw into a bucket and carry it.

(*The same is agreed to.*)

Major *Mills.*

484. The next amendment is page 27 at line 25, at end insert " ' telegraphic line ' has the same meaning as in the Telegraph Act, 1878 "?—(Mr. *Hill.*) That is drafting.

(*The same is agreed to.*)

Major *Mills.*

485. Then at page 27, line 34, at end insert—" ' railway company ' means any persons authorised by an enactment to construct, work or carry on a railway,

4° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. H. KEEN, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, Sir GEOFFREY COX, C.B.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. G. D. HELLIWELL, Mr. J. G. DREW, Mr. A. R. BOUCHER, Mr. L. J. H. HORNER, Mr. A. B. WINSER, and Lieut.-Commander WALKER. [*Continued.*

and includes the London Passenger Transport Board "?—(Mr. *Hill.*) That is another definition.

(*The same is agreed to.*)

Major *Mills.*

486. Then on page 27, at line 39, at end add—" ' land drainage authority ' has the same meaning as it has in the Land Drainage Act, 1930 "?—(Mr. *Hill.*) I desire rather to amplify that amendment if I might read it out in its amended form. It should run " ' land drainage authority ' means a drainage authority within the meaning of the Land Drainage Act, 1930, and ' water course ' has the same meaning as it has in that Act."

Major *Mills.*] That seems to be quite simple and quite in order. Is that agreed?

(*The same is agreed to.*)

Major *Mills.*

487. Then on page 28, line 30, at end insert this proviso: " Provided that sections one hundred and twenty-seven to one hundred and thirty-two of the Lands Clauses Consolidation Act, 1845, shall be excluded from any incorporation effected by this subsection "?—(Mr. *Hill.*) This is a small amendment asked for by the Municipal Corporations Association. It is, I think, in accord with local Acts.

(*The same is agreed to.*)

(*Clauses 2 and 3 of First Schedule are agreed to subject to further revision.*)

ON CLAUSE 4 OF FIRST SCHEDULE.

Major *Mills.*

488. The first amendment is page 29, line 16, leave out " taking " and insert " abstracting "?—(Mr. *Hill.*) That is a drafting amendment.

(*The same is agreed to.*)

Major *Mills.*

489. Then page 29, at line 17, after " water " insert " (other than works for intercepting foul water) "?—(Mr. *Hill.*) That is a drafting amendment in order to ensure that it does not conflict with an earlier section.

(*Clause 4 of First Schedule as amended is agreed to subject to further revision.*)

ON CLAUSE 5 OF FIRST SCHEDULE.

Major *Mills.*

490. On page 29, line 28, after " aqueducts " insert " tunnels "?—(Mr. *Hill.*) That is a minor amendment. One can hardly say it is drafting, but it is very minor.

(*The same is agreed to.*)

Major *Mills.*

491. On page 29, line 29, leave out " for supplying " and insert " for, or in connection with, the supply of "?—(Mr. *Hill.*) This is a drafting amendment.

(*The same is agreed to.*)

(*Clause 5 of First Schedule is agreed to subject to further revision.*)

ON CLAUSE 6 OF FIRST SCHEDULE.

Major *Mills.*

492. The first amendment is on page 29, line 38, leave out " street " and insert " highway "?—(Mr. *Hill.*) This is slightly narrowing the powers of the undertakers to erect the telephone wires. It provides that they shall only do it as of right in a highway, and in a street which is not a highway they have to get the consent of the owner of the soil. It is a very minor amendment.

(*The same is agreed to.*)

Major *Mills.*

493. On page 29, line 45, leave out " street " and insert " highway "?—(Mr. *Hill.*) This is the same point.

(*The same is agreed to.*)

Major *Mills.*

494. At line 47, after " the " insert " local authority and "?—(Mr. *Hill.*) We provided that they were not to disturb a street without the consent of the highway authority. The local authorities think that, where the local authority is not the highway authority, the local authority also should have the power to refuse consent.

(*The same is agreed to.*)

Major *Mills.*

495. At page 30, line 1, leave out " that authority " and insert " either of

those authorities "?—(Mr. *Hill.*) That is consequential on the last addition. That is purely a question of grammar.

(*The same is agreed to.*)

Major *Mills.*

496. At line 3, leave out " in a street maintainable at the public expense "?—(Mr. *Hill.*) This is not a drafting amendment. It is widening the powers of the authorities to object. The authorities can object even if the wires or posts are not going to be erected in a street. The importance of that is that it might possibly conflict with some town planning provision, but more likely might conflict with some road widening in the future. I think that is what is in their minds. That seems very harmless.

(*The same is agreed to.*)

Major *Mills.*

497. Then the next amendment is page 30 at line 8, at end insert " (2) The undertakers shall at any time at their own expense remove any wires, posts, conductors or other apparatus laid or erected by them under the provisions of this section if they are required so to do by the local authority or a highway authority for the purpose of enabling any widening or other improvement to be carried out to a street or highway "?—(Mr. *Hill.*) This is a new subsection also introduced at the instance of some of the Local Authority Associations—the County Councils Association, probably I think—saying that the undertakers must bear the expense of moving these private telephone wires if they have to be moved for street or highway improvements.

Major *Mills.*] The question is that the new subsection be agreed.

(*The same is agreed to.*)

Major *Mills.*

498. On page 30 at line 17, leave out " as defined by the Telegraph Act, 1878 "?—(Mr. *Hill.*) We leave out the words " as defined by the Telegraph Act, 1878 " because we have put in a special definition.

(*The same is agreed to.*)

Major *Mills.*

499. Then page 30 at line 19, at end add " (3) Where the undertakers propose, in the exercise of their powers under this section, to lay or erect any wires, posts, conductors or other apparatus which will cross or interfere with any watercourse or works vested in or under the control of a land drainage authority they shall give notice of their proposals to that authority and if within twenty-eight days that authority serve on the undertakers notice of objection to their proposals the undertakers shall not proceed with their proposals unless all objections so made are withdrawn or the Minister after a local inquiry has approved the proposals either with or without modification: Provided that this subsection shall not apply in relation to any wires, posts, conductors or other apparatus which the undertakers propose to lay or erect in or on a bridge carrying a highway across such a watercourse as aforesaid "?—(Mr. *Hill.*) This is a land drainage amendment. It has been made to meet the fears of the Land Drainage Authorities. They are to have notice and if objection is taken the Minister is to decide the objection. (Mr. *Swallow.*) Before you pass that clause, Sir, may I raise a point on the general principle of it?

Major *Mills.*

500. Yes, please?—I want the Committee to realise how far it goes. It applies, or may apply, to every water undertaker in the land, in country districts and in thickly populated towns. Although there may be ample services provided by other bodies—for example, telephones provided by the Postmaster-General and a supply of electricity supplied by a Company or a local authority—the water company are to be given the power of breaking up streets here, there and everywhere for two purposes: firstly, for the purpose of telephone communication, and, secondly, for the purpose of electrical communication between their offices and any part of their works. I do suggest that this is a power that the water undertaker does not need in the majority of cases. I can only conceive of cases in the moorlands where

there is no telephone service and no electricity supply, where any water undertaker would have to avail himself of this power. Obviously where a reservoir is up in the mountains there must be some central control by which the supply coming down the aqueduct can be controlled from the populous part of the area. London has been left out now, but this clause would have applied to London. What possible case can there be for multiplying overhead wires and electrical cables in London, or in any big town like Birmingham and Manchester? The Urban District Councils Association, whom I represent, suggest that if the Committee do feel that this power is needed at all, there should be an absolute veto on overhead lines, so that the company may be impelled to go to some other supply, such as the telephone service or the electricity company if they want to make this electrical communication or telephone communication; and if a veto is not thought desirable, then I suggest that the consent of the local authority and the town planning authority should be required. You know, Sir how clamant the call is for control of amenities in various parts of the country now, and my Association suggest that there is no reason whatever for the utilisation of this power in urban districts or a city, as there are other means available, but if the water undertakers must have a separate right to duplicate services of this kind, then they say it should be only on the condition that the mains are laid underground and not overhead.

501. Have you an amendment actually drafted?—Yes. You will find it in the Urban District Councils Association's Amendments on page 4. There are two slight alterations. (Mr. *Hill.*): Before the Committee decide on this, I hope they will ask Sir Frederick Liddell to what extent it is common form and that they will also bear in mind the instance which Mr. Swallow put before them of establishing telephonic communication between a town and a reservoir far up in the hills, and I hope they will consider what will be the cost of laying such a telephone wire underground. (Mr. *Swallow.*): In that case it is perfectly obvious that there are no highways leading up to the top of the mountains and the undertakers would necessarily lay these lines through private property overhead. (Sir *Frederick Liddell.*): I should say that it is absolutely common form. There has been no water Bill in the last 10 years which has not obtained this clause. (Mr. *Swallow.*): With regard to a Bill which is now before Parliament, the Colne Valley Water Bill, this particular point was raised by a member of my Association, and the Promoters have agreed to this provision. (Mr. *Winser.*): On behalf of the Colne Valley Company, may I say that we cannot possibly accept a statement of that sort until we know what it is that is being referred to. We have not seen an amendment such as is here proposed. We have had no opportunity of seeing what these amendments are, and if we are quoted as having agreed something, I suggest to the Committee that we should be informed what it is.

502. The amendment, as I have it here, is on page 29, line 38, to omit " and erect in or on " and insert " under the surface of." Does anybody else want to say anything on this?—(Mr. *des Forges.*) I should like the clause to stand in the form in which the Ministry of Health have brought it forward?—(Mr. *Armer.*) You will notice that by our amendment the consent of the local authority has to be obtained in each case, the consent not to be unreasonably withheld, and it has to be decided by an arbitrator. So they have to get the local authority's consent, and the local authority could object to overhead wires.

Lord *Teynham.*] I think that provision is sufficiently strong.

Major *Mills.*] Is it agreed that the clause should stand as amended by the Ministry of Health?

(*The same is agreed to.*)

(*Clause 6 of First Schedule, as amended, is agreed to, subject to further revision.*)

Major *Mills.*

503. Does anybody want to say anything on Clause 7 of First Schedule?—(Mr. *Winser.*) Have you reached the new subsection (3) on page 7?

Major *Mills*.

504. We have passed it?—Is it too late to make a comment on the new subsection (3)?

505. I think we have really rather finished it. Is it anything very material? —Perhaps I might say this on behalf of the Colne Valley Water Company, that it appears to them that this imposes a quite unnecessary and onerous burden upon them?—It is rather similar to the case which was raised and objected to by the Association of Municipal Corporations. It is a fairly small matter, but it does seem unnecessary that whenever a water undertaker wishes to carry a telephone wire from one pumping station to another, he should have to give 28 days' notice to the land drainage authority—which means the catchment board and any internal drainage board—before he can do it. It seems to the Colne Valley Water Company that it is purely obstructive.

Major *Mills*.] I think we have dealt with that clause, and I do not think the Committee wish to re-open the matter.

On Clause 7 of First Schedule:

Major *Mills*.] Are there any questions on this clause? There are no amendments?

(*Clause 7 of First Schedule is agreed to, subject to further revision.*)

On Clause 8 of First Schedule:

Major *Mills*.

506. There is an amendment on page 30, line 28: after "acquire" insert "compulsorily"?—(Mr. *Hill*.) This amendment is to insert a word which has dropped out somehow by accident. Obviously the clause could only apply to compulsory purchases.

Major *Mills*.] Is that amendment agreed to?

(*The same is agreed to.*)

(*Clause 8, as amended and Clauses 9, 10, 11 and 12 of First Schedule are agreed to, subject to further revision.*)

On Clause 13 of First Schedule:

Major *Mills*.

507. The amendment is on page 32, line 16, leave out from "conditions" to end of line 20, and insert "payable in respect of or affecting the lands, other than any restrictions imposed by sections one hundred and twenty-seven to one hundred and thirty-one of the Lands Clauses Consolidation Act, 1845"?—(Mr. *Hill*.) This amendment has been proposed to us either by the County Councils Association or by the Association of Municipal Corporations. It is to bring the clause into accord with the most recent form of the common clause.

Major *Mills*.] Does anybody want to be heard on that? Is it your pleasure that the amendment be accepted?

(*The same is agreed to.*)

(*Clause 13 of First Schedule, as amended, is agreed to, subject to further revision.*)

On Clause 14 of First Schedule.

Major *Mills*.

508. Will you deal with Clause 14, Mr. Hill?—(Mr. *Hill*.) Clause 14 is the clause which deals with compensation water, where power is given to impound a stream. The provision in line 37 is dealing with the compensation water which is to be allowed to flow, and I think the Federation of British Industries wish to make it clear that the compensation water ought to be given out of the reservoir itself or out of the feeders of the reservoir so, putting it shortly, that its quality will be the same as the quality of the water of which they have been deprived. It seems to me a reasonable amendment. Otherwise, theoretically, the undertakers might impound all the clean water from a stream and get hold of some dirty water and discharge that, and say that it was sufficient compensation.

Major *Mills*.] Does anybody wish to be heard on that? The amendment is on page 32, line 37, after "stream" insert "from, or from streams feeding, the reservoir".

(*The same is agreed to.*)

Major *Mills*.

509. The next amendment is on page 32, line 38, to leave out "regular" and insert "uniform"?—(Mr. *Hill*.) There again, I think it is the Federation of British Industries who prefer one word to the other. It does not seem to me that there is anything in it, but the Ministry are quite prepared to let them have the word "uniform" instead of "regular".

Major *Mills*.] Is that agreed?

(*The same is agreed to.*)

Major *Mills*.

510. The next amendment is on page 32, line 43, after "order" insert "any such gauge as aforesaid". The next amendment is on page 33, line 1, leave out "as aforesaid"; line 1, leave out "by that gauge" and insert "thereby"; line 2, at end insert "or to take copies of any such records". Is it your pleasure that these amendments be agreed to?—(Mr. *Hill*.) The first three of those amendments are fairly described as drafting. The amendment on page 33, line 2, to insert at end "or to take copies of any such records", is new. That has been asked for by the Catchment Boards.

511. All the first three deal with the same point?—Yes.

Major *Mills*.] Is it the Committee's pleasure that those four amendments be agreed to?

(*The same are agreed to.*)

Major *Mills*.

512. The next amendment is page 33, line 27, at end insert "and shall be deemed to be aggrieved by the commission of an offence under this section in relation to any such stream"?—(Mr. *Hill*.) That is the same point which was raised on a clause in the body of the Bill, that the Fishery Boards were afraid that they might not be regarded as parties aggrieved, and therefore would not be able to prosecute without the consent of the Attorney-General. This is in order to allay their fears of that.

Major *Mills*.] Is that amendment agreed to.

(*The same is agreed to.*)

Major *Mills*.

513. Then there is a new subsection, page 33, line 33, at end add: "(6) Subject to the provisions of section five of the Criminal Justice Administration Act, 1914, any fine recovered under this section on the complaint of a fishery board or of an officer of, or person authorised by, a fishery board shall, as to the whole or such part thereof as the court may determine, be paid to the board in respect of the costs of the prosecution"?—(Mr. *Hill*.) This is a subsection which has been asked for by the Fishery Boards, to give the Courts a power to order part or the whole of a fine to be handed over to the prosecuting fishery board in respect of the costs of the prosecution. (Mr. *des Forges*.) It seems a most exceptional provision. This entirely alters legislation with regard to the method in which fines recovered in Courts of Summary Jurisdiction shall be paid. Handing over the fine or a portion of the fine to the fishery board seems to me rather to be harking back to the principle of a common informer being allowed to have something out of what he manages to get, by bringing a case before the Courts. My Association think there is no justification for altering the present law in relation to this matter.

514. Is it not the case that under the Salmon and Fresh Water Fisheries Acts the Boards do now recover fines that are inflicted? They get fines, do not they? —(Lieut.-Commander *Walker*.) That is the fact. Under the Salmon and Fresh Water Fisheries Act, 1923, the whole of the fine is paid to the Fishery Board concerned.

515. This is designed to take the place of that?—That is so. (Mr. *des Forges*.) It is against the views of the Committee who framed this Bill, because they said their policy was to get rid of forfeits to undertakers, and so on. It is on page 33 of their Report under the heading "Penalties." (Mr. *Armer*.) I quite agree that the Drafting Committee took the view that forfeits should be done away with. Under the old Waterworks Clauses Act, 1847, whenever an offence was committed, somebody had to forfeit something to somebody else, and the Drafting Committee thought that they should do away with it. It was represented to us that here was a particular case of a Fishery Board without any great funds, but yet charged with the duty of looking after the stream—a particular case where we might depart from that general principle of doing away with the forfeits and allow the Court at their

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker. [*Continued.*

discretion to give to the Fishery Board a proportion of the fine towards the cost of the prosecution. It is only towards the cost of the prosecution. (Lieut.-Commander *Walker*.) On behalf of the National Association of Fishery Boards, I should like to put forward our view. This amendment follows the general lines of the reservation by Mr. Reginald Beddington on page 9 of the Central Water Advisory Committee's Report. We have heard the argument that—— (Mr. *des Forges*.) May I say, for the sake of saving the Committee's time, that I will not press this point any further.

Major *Mills*.] Thank you. Is the insertion of the new subsection agreed to?

(*The same is agreed to.*)

(*Clause 14 of First Schedule, as amended, is agreed to, subject to further revision.*)

(*Clause 15 of First Schedule is agreed to, subject to further revision.*)

On Clause 16.

Major *Mills*.

516. The first amendment is on page 34, line 2, after " pipes " insert "(other than service pipes."?—(Mr. *Hill*.) This is simply to make it clear that the map which the undertakers have to keep of their pipes does not extend to the service pipes leading into private premises.

Major *Mills*.] Is it the pleasure of the Committee that we accept this amendment?

(*The same is agreed to.*)

(*Clause 16 of First Schedule, as amended, is agreed to, subject to further revision.*)

(*Clauses 17, 18, 19, 20, 21 and 22 of First Schedule are agreed to, subject to further revision.*)

On Clause 23 of First Schedule:

Major *Mills*.

517. The first amendment is on page 36, line 28, leave out " under or over " and insert " or under "?—(Mr. *Hill*.) This is the clause which gives the undertakers their power to lay water mains as distinct from communication pipes. Some objection has been taken to the provision, which I think has been taken straight from the Public Health Act, that they may lay a main " in, under or over any street." Objection has been taken to their power to lay a main " over " a street; I should think it is very seldom indeed that undertakers want to lay a main over a street, and possibly where they do, they ought to give them special powers. The Ministry see no objection to leaving out the word " over " and simply giving them power as of right to lay " in or under " a street.

Major *Mills*.] Is that amendment agreed to?

(*The same is agreed to.*)

Major *Mills*.

518. The next amendment is on page 36, line 31, after " street " insert " and with the consent of the local authority of the district in which that land is situate and also of the highway authority concerned if the main will be laid within two hundred and twenty feet of any highway "?—(Mr. *Hill*.) That is a substantial amendment. This clause, generally speaking, is taken from the Public Health Act—the corresponding power of a local authority to construct sewers, and water mains too. The clause as put in the Bill by the Minister provides that, except in the case of a street, they must get the consent of the owner and occupier of the land through which they propose to lay their main. This amendment, put in to meet certain local authorities, provides that they must also get the consent of the local authority, although the main will be in private land, and further, that they must get the consent of the highway authority if the main will be laid within 220 feet of any highway. Two hundred and twenty feet is the limit fixed by one of the sections of the Restriction of Ribbon Development Act. That is the meaning of the words " within two hundred and twenty feet "?—(Captain *Ellen*.) Might I ask a question on that?

519. Yes?—Is the significance of that amendment that if I arrange with a local water supply undertaker to lay a main through my land to supply my factory, or whatever premises it may be, I cannot give that undertaker permission

4° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. H. Keen, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Charles L. des Forges, Mr. J. K. Swales, Sir Geoffrey Cox, C.B.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. G. D. Helliwell, Mr. J. G. Drew, Mr. A. R. Boucher, Mr. L. J. H. Horner, Mr. A. B. Winser, and Lieut.-Commander Walker. [*Continued.*

to lay that main unless the local authority and the highway authority also give him permission? If that is the intention, I think it is going too far, if I may say so.

520. Perhaps Mr. Hill will tell us about that. I think that is the intention?—(Mr. *Hill*.) That is the position. It is not the intention, because it is such a very improbable state of affairs; but that is the position. (Captain *Ellen*.) I think that is quite a serious thing, if I may suggest it. It does seem a very considerable embargo on the use of a person's own land for his own purposes and the getting of a supply of water to his premises. What on earth interest it can be to the local authority that the local water undertaker is going to run across my field to reach my factory, I am sure I cannot think, and I cannot think exactly in what circumstances this clause is going to work. (Mr. *Marshall*.) On behalf of the agricultural interests, I should like to support Captain Ellen's remarks for the industrial interests. I cannot help thinking that this provision is very wide. I cannot see what interest the local authority can have in some of the land which is referred to here. (Mr. *Winser*.) I am asked on behalf of the Colne Valley Water Company also to support the objection. It seems that this would have the effect of putting a belt of 220 feet on either side of a highway, and if any water undertaker wants to arrange with the landowner for the laying of a pipe off a highway, he has got to get the consent of the local authority and of the highway authority, in addition to that of the landowner, before it can be done.

521. Is not the point that the belt is there already under the Restriction of Ribbon Development Act?—For the purposes of building, yes. (Mr. *Swift*.) The purpose, from the point of view of the County Councils' Association, as representing highway authorities, was to prevent mains being laid parallel with a highway in such a position that they might interfere with highway widenings which were contemplated, it being in the interests of the general public as ratepayers and water consumers and of the companies themselves that they should lay the mains away from any possible widening. One might imagine a case where a company found it cheaper and better to lay their main away from the actual carriageway, and they would perhaps agree with the landowner to put it in the soft ground at the side and get the easement free of cost. If we or the Ministry of Transport, as the highway authority, were going to widen the road, and if we had to move that main two or three years later, it would be a waste of public money. That was the object of the County Councils Association in asking for this amendment. We ask only, of course, that the consent of the highway authority should be obtained and not that the consent of the local authority should be obtained. There is, of course, a proviso that the consent is not to be unreasonably withheld. I think, as far as the highway authority is concerned, it is a reasonable matter—a matter of precaution to save waste of public money, and we cannot withhold our consent unreasonably. So far as the ordinary local authority is concerned, I am not concerned with them. (Mr. *Swallow*.) So far as the local authorities are concerned, we are responsible for raising this point with the Ministry of Health, and the suggestion that this consent should be necessary carries out completely the report of one of the earlier Committees. I have not the Report here, because I thought that, as the Ministry had agreed to it, the point would not be raised, but perhaps Mr. Armer will help me—I think it was the last Report of one of his Committees. (Mr. *Armer*.) It was the first Report of this same body. (Mr. *Swallow*.) The first Report of the same body who prepared this Bill considered this matter at great length, and they pointed out that although local authorities had not only a permissive right but a mandatory right to lay mains through private property, that power had never been given to a company, and they recommended in their Report that this power was desirable in the hands of a company, but that, in view of town planning considerations—which I am going to mention in a second—the local authority ought to be consulted in regard to the

route taken by the main. One has to realise that once a main is laid in a field, the position of that main really stereotypes future development of the property; it means that you cannot build on the line of that main. The company obtain an easement for access and repair. Therefore, if a street is to be constructed in that field through which the main is laid, it is bound to go along the line of the main. That is the only point the local authorities have in this connection. The Ministry of Health have recognised that and I am quite sure that with a power of appeal to the Ministry of Health against any refusal of consent, the local authorities are bound to be reasonable, and would only be considered by the Ministry if they could say " We agree that a main should be laid through the field, but our town planning scheme contemplates a new road in a particular direction. Therefore, if you are going through that field, with your pipe, you must follow the line of the town planning road ". (Mr. *Seager Berry*.) The Sheffield Corporation desire to support the plea that this power should not be allowed. I do not think there are many precedents, if any, for this provision. I hope the Committee will bear in mind the decision which has been reached with regard to inserting new additional provisions which go outside the scope of what are called the common form clauses. (Mr. *Armer*.) This is certainly an addition to the common form clauses. The Drafting Committee considered it was reasonable that water companies, and local authorities as well, working under local Acts should have power to enter on land by agreement to lay their mains, the matter to be settled by the Minister if the consent was said to be unreasonably withheld. It is an extension of the common form clauses. (Captain *Ellen*.) Might I say that so far as the highway authority are concerned—I am speaking without the Statute and only from recollection—I think the point is entirely covered by the Restriction of Ribbon Development Act, because I distinctly remember that there is in that Act a saving for underground mains, and that kind of thing. Consent cannot be unreasonably withheld to the construction of such mains, if they do not interfere with the final construction of any road works, I think are the words. So far as town planning considerations are concerned, may I say that it is not necessary that the town planning authority is also the local authority, and it would seem that if the local authority imposes a condition that, instead of going the direct way across my field, I have to go round three sides of it, I should have no claim against the local authority for any compensation for additional cost which might be charged upon me by the water undertaker who was laying the main.

522. Are not you covered by the proviso, that the consent is not to be unreasonably withheld? Does that not safeguard the position?—I do not think that is quite the position, because the principle is there, that I have not the right to give consent to the undertaker to go anywhere he likes through my property to feed my own property.

Lord *Teynham*.

523. There is the provision that if the consent is unreasonably withheld, it shall be referred to and determined by the Minister?—(Mr. *Swift*): In regard to the Restriction of Ribbon Development Act, section 23 of that Act provides that nothing in the Act, shall, " save as otherwise expressly provided in section fourteen thereof, affect: . . . any right of statutory undertakers for gas or water," etc., " to erect any support or make any excavation for the purpose of laying," etc., " any main, pipe," etc. I submit that highway authorities are not protected under the Restriction of Ribbon Development Act in regard to the laying of water mains alongside roads. (Mr. *Marshall*): There are two points. With regard to the last point, the extract which Mr. Swift read from the Act of 1935 appealed to him, apparently, not in the sense in which it appealed to me. I think it is a strong indication of what Parliament thought in a similar case. It protected not the highway authority but the statutory water undertaker. The last point is this: Mr. Swallow said he had only one object in mind. I notice in his amendment he has asked that the consent of the local

authority should be obtained in every case and not only in one case to which the point he had in mind related; so on his own showing the amendment ought to be very limited if it is allowed at all.

Mr. *Griffiths*.] I think it is a perfectly reasonable provision.

Major *Mills*.] Is it the pleasure of the Committee that we accept the amendment proposed by the Ministry of Health?

(*The same is agreed to.*)

Major *Mills*.

524. The next amendment is on page 36, line 42, leave out " within the meaning of that expression as used in the Land Drainage Act, 1930 "?—(Mr. *Hill*): That is drafting. We have now put in a general definition.

(*The same is agreed to.*)

Major *Mills*.

525. The last amendment on clause 23 is on page 37, line 17, after " maintain " insert " in any street "?—(Mr. *Hill*): That is slightly narrowing the power which the undertakers are given to put in posts, or marks, to indicate where certain valves are situated. The power is now limited to maintaining them in any street.

Major *Mills*.

526. Is that agreed? (*The same is agreed to.*)—(Captain *Ellen*.) There is a point I should like to raise. Our difficulty arises from the meaning of the word " street " which is taken from the Public Health Act, 1936, and includes any road, lane, footway, square, court, alley or passage, whether a thoroughfare or not. The purpose of the clause is to give the undertaker the right to lay a main without any restriction under any street but, in private land, only with the consent of the owner or occupier. Our trouble is that the internal roads in our factories which are not open to the public in any sense and are closed off by gates would be regarded as streets within that definition. We suggest that they should not be so regarded because they are of great importance to us for the laying of our own internal services. It would be an intolerable position if they were continually to be broken up for the purpose of repair and our internal traffic disorganised and we ask that such streets inside factory premises should be treated under subsection (1) (*b*) and not under subsection (1) (*a*); in other words they should be treated as private land and not as streets.

Major *Mills*.] There is a division in the House of Lords. We had better deal with that point to-morrow at 11 o'clock.

(*The witnesses are directed to withdraw.*)

(*Ordered*: *That this Committee be adjourned till to-morrow at* 11 *o'clock.*)

DIE MERCURII, 5° JULII, 1939.

Members present:

Earl of Onslow.	Lord Kenilworth.
Viscount Bridport.	Mr. Edwards.
Lord Darcy (de Knayth).	Mr. James Griffiths.
Lord Teynham.	Mr. Levy.
Lord Derwent.	Mr. Medlicott.
Lord Faringdon.	Major Mills.

The EARL OF ONSLOW in the Chair.

Sir FREDERICK LIDDELL, K.C.B., K.C. (Counsel to Mr. Speaker) attends the Committee.

Mr. G. R. HILL, C.B. (Parliamentary Counsel Office); Mr. I. F. ARMER, M.C. (Ministry of Health); Mr. C. B. MARSHALL (Parliamentary Agent) (Central Landowners' Association); Mr. G. N. C. SWIFT (County Councils' Association); Mr. C. E. C. BROWNE (Parliamentary Agent) (Metropolitan Water Board and Bradford Corporation); Mr. H. E. SWALLOW (Parliamentary Agent) (Urban District Councils' Association); Mr. HUGH WENTWORTH PRITCHARD (Parliamentary Agent), Mr. CHARLES L. DES FORGES (Town Clerk of Rotherham), Mr. J. K. SWALES, M.Inst.C.E. (General Manager and Engineer of the Sheffield Corporation Waterworks) (Association of Municipal Corporations); Captain C. W. ELLEN (Federation of British Industries); Mr. T. G. SEAGER BERRY (Parliamentary Agent) (Sheffield Corporation and Sunderland and South Shields Water Company); Mr. A. B. WINSER (Parliamentary Agent) (Colne Valley Water Company and Rickmansworth Water Company); Mr. T. E. PRYCE-TANNATT (Ministry of Agriculture and Fisheries); Mr. J. F. HASELDINE and Mr. A. W. WHITE (British Waterworks Association and Water Companies Association); Mr. JOHN J. MCINTYRE (Solicitor and Parliamentary Agent) (Rural District Councils' Association); Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C. (Principal Assistant Secretary, Ministry of Transport); Mr. G. MANSFIELD; Mr. C. C. POWELL (Parliamentary Agent) (Hotels and Restaurants Association, the Theatrical Managers' Association, and the Society of West End Managers); and Mr. C. H. WHITELEGGE (Parliamentary Agent) (Main Line Railway Companies and London Passenger Transport Board) are called in and examined as follows:—

ON CLAUSE 13.

Chairman.

527. Would you kindly turn to page 18 of the Bill, subsection 3, line 21, and could you answer Question 382 on page 57 of the Notes of yesterday: could you give us some information on that point?—(Mr. *Pryce-Tannatt.*) My Department is more or less in agreement with this, my Lord. It is a new principle. We were not at first very enthusiastic about it being a fine rather than a penalty. It is a fine not exceeding certain figures, so that it is left to the discretion of the Court as to what the fine is to be, and presumably the Court will be influenced by whether they are satisfied or not that any material damage has been done. In cases of this sort, our experience shows it is very difficult to prove damage, and it is certainly very difficult to assess damage, but on the principle I think my Department is quite in agreement.

528. Your point is that it is so difficult to prove damage that you very rarely catch your man?—Yes.

529. So that, if you put in a fine for having done it, whether he does damage or not, you catch him?—Yes.

530. But you recognise the fact that you are creating an offence, are not you? I am not quite sure whether Mr. Hill agrees to that. I rather think you said you were not creating a new offence?—(Mr. *Hill.*) I think theoretically a breach of this Section has always been indictable at common law. Every misdemeanour is indictable at common law if no other penalty is provided for it. May I put it this way: I think the people who could not prove damage would be a fishery board where all the fish or all the spawn in the stream had been destroyed, because, of course, the fish are not the property of the fishery board, and the fishery board, I should think, are the people who would elect to go

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

for a penalty if all the fish were poisoned instead of for their problematical remedy of claiming damages, which I do not think they would establish. (Mr. *Pryce-Tannatt.*) The fine, if I may point out, is for failing to take the necessary steps to secure that these waters shall be free from harmful substances. (Mr. *des Forges.*) First of all, I would like to remind you, my Lord, that the gentleman from the Ministry of Agriculture did commence his statement by saying: "this is a new principle." I would remind your Lordship that yesterday you did indicate that this Bill was not intended to bring out new principles, but that those questions would be dealt with at a later date. What I should like to point out to the Committee is that, as the Clause stands, if a water undertaking puts, if we like to call it, dirty water from cleaning a pipe into a filthy river which has no fish in its whole length or for miles, under this Clause we should still be liable to be brought up to the Courts for a penalty.

531. Are you not postulating a somewhat imaginary river?—(Mr. *Hill.*) Mr. des Forges is contemplating the Aire and Calder, no doubt. (Mr. *des Forges.*) I will take my own river, the Don.

532. The point is that, if you put dirty water into dirty water, it is still an offence?—Yes; it is a new principle, and, as you have already said you desire that consideration should be given to a Bill dealing with all these problems, I would ask that you should put it off till that point.

Chairman.] The issue is quite a simple one. It is whether we should or should not sanction this creation of a penalty, and, unless there are any other points the Committee would like to ask or make any observations upon, we might, I think, until we clear the room next time (it does take such a long time to clear the room and it is such a simple issue), bear in mind and go on where we left off yesterday.

Lord *Darcy de Knayth.*

533. I take it this Clause is wider in scope than, as well as different in procedure from, the existing law?—(Mr. *Pryce-Tannatt.*) Yes, undoubtedly.

534. Very much wider?—Yes.

535. And there is no need for any damage to be done under this Clause?—There should not be.

Major *Mills.*

536. I do not follow that: "there is no need for damage to be done"?—If damage is done, it is due to the neglect of the undertakers in 99 cases out of 100 anyway.

537. But you mean, in fact, it is believed that fish have been destroyed or damaged by dirty water?—Yes, though damage need not necessarily be done.

Lord *Darcy de Knayth.*

538. It need not create damage?—That is so; but damage can be done.

Mr. *James Griffiths.*

539. Is it suggested that someone should be responsible for an offence, yet it is not possible to bring home to him that he has done any damage?—Yes. As I said just now, in many cases it is very difficult to prove there has been any damage; that must be left to the discretion of the Court.

Major *Mills.*

540. The offence is not taking the necessary steps to turn out mud?—Yes.

Chairman.

541. It would be just the same thing as if you made a penalty for trespass without damage?—(Mr. *Hill.*) Not quite the same thing.

542. If the offence is committed and no damage is done, you fine your man, do you not?—In the case of trespass, if it was not done in the assertion of a right and no damage was in fact done, I imagine the Court would inflict no penalty. It is different from the case of trespass which might be done in the assertion of a right.

Mr. *James Griffiths.*

543. If it was done in the assertion of a right, there would be no trespass?—I mean the assertion of a right which, in fact, did not exist. This would not be

done in assertion of a right, and it seems to me, if a Court found damage had not been done, but proceedings had been taken, there would be no penalty.

Clause 13 is postponed.

PART V: *Power to lay mains, etc.*

ON CLAUSE 23 OF FIRST SCHEDULE.

Chairman.] Your last observation yesterday, Major Mills, was: "We had better deal with that point to-morrow at 11 o'clock." Perhaps you would kindly help me, because I was not there.

Major *Mills.*

544. That takes us to the Draft Amendments. The question was that Clause 23 of the Schedule as amended stand part?—(Mr. *Hill.*) When we got to the end of Clause 23, a representative of the Federation of British Industries was raising a point with regard to streets inside factory premises, and that was left over for discussion this morning. (Captain *Ellen.*) The point I put to the Committee was the position of an internal road in a factory entirely within the curtilage of the factory.

Chairman.

545. Are you on Clause 22?—I am on Clause 23.

546. There is no amendment to Clause 23?—There is no amendment on the paper.

Mr. *James Griffiths.*] It is on the question that the Clause stand part.

Chairman.

547. Very well?—The matter I raised with the Committee was the position of a private street inside the ring fence of a factory and used for communication between the various buildings of that factory. If it will interest your Lordship to see a photograph of the sort of thing I mean, I have one here. (*Photograph is handed in.*) You will see the street going right up the middle. The principle on which this Clause is based is that in streets (and "street" is given the definition in the Public Health Act, 1936, which includes "any road, lane, footway, square, court, alley or passage, whether a thoroughfare or not") there is a right in the undertaker to lay his mains. There is a conditional right in the undertaker to lay his mains in private lands not being streets, in that, although he must obtain the consent of the owner of the land, the owner is not able unreasonably to withhold it, and the Minister is the arbiter if he tries to. My point is that the sort of streets that I am referring to should be treated as private lands and not as streets. They are the main arteries of our factories; the public has no right of access to them; they are used for our own internal services, and it is a matter of great consequence that they be kept open for those services and that they be not interrupted by the exercise of the power to lay mains and also to repair, alter or renew them. I would ask the Committee to include such streets under sub-paragraph (*b*) of subsection (1) of the Clause instead of under sub-paragraph (*a*), as I submit they probably are now.

Chairman.] Are there any questions?

Lord *Faringdon.*

548. I do not quite understand why the Federation of British Industries have not got an amendment down to cover this point.—We have put in our memorandum. (Mr. *Hill.*) I think I can perhaps save time. I do not know whether any other interest would oppose such an amendment as the Federation of British Industries are asking for, but, if not, I think it could be a matter of discussion.

Chairman.

549. You could settle that?—I think probably we could, if no other interest opposes it.

550. If that is so, we might leave that. That is Clause 23?—That is to stand part? We have finished all the others.

Chairman.] The question is that Clause 23, as amended, stand part of the Schedule? Is that agreed?

(*Clause 23 of First Schedule, as amended, is agreed to, subject to further revision.*)

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE.

ON CLAUSE 24 OF FIRST SCHEDULE.

Chairman.

551. Then we come to Clause 24, page 37, line 37.—(Mr. *Hill.*) This is an amendment of a simple character to meet the Highway Authorities who think they ought to have notice if they are not also the Local Authority, as they are not in some cases.

Chairman.] Are there any questions on that: Clause 24, page 37, line 37, at end insert "and on the highway authority for any highway in which they propose to lay a main"? Is that agreed?

(*Amendment is agreed to.*)

Chairman.] Then line 38, after "days" insert "exclusive of any day in the month of August": that is consequential; we have had that in before, giving a full holiday to August. Is that agreed?

(*Amendment is agreed to.*)

Witness (Mr. *Hill.*)] The next is consequential on the last but one.

Chairman.

552. Page 37, line 40, leave out "the local authority of a borough or district in which they propose to lay the main" and insert "by any such local or highway authority as aforesaid."—That is a drafting amendment which is consequential.

(*Amendment is agreed to.*)

Chairman.] The question is that Clause 24, as amended, stand part of the Schedule?

(*Clause 24 of First Schedule, as amended, is agreed to, subject to further revised.*)

ON CLAUSE 25 OF FIRST SCHEDULE.

Chairman.

553. Page 38, line 11, at end insert "other than sections twenty-seven and twenty-eight thereof."—(Mr. *Hill.*) This is really an amendment necessary to correct an oversight. It was not intended that the whole of Part VI should apply; it would be unworkable if it did. Sections 27 and 28 are not required for this purpose.

Chairman.] The question is that these words "other than sections twenty-seven and twenty-eight thereof" be inserted? Is that agreed?

(*Amendment is agreed to.*)

Chairman.

554. The next amendment is: line 13, leave out "and such plant and other works" and insert "with such stopcocks and other fittings."?—(Mr. *Hill.*): My Lord, that is rather narrowing the words of the Clause; "construct such service pipes and such plant and other works" seems rather wide. What we think they may require in connection with the laying of service pipes is stopcocks and fittings connected with the pipes. It is a slight narrowing of the language.

Chairman.] Is that amendment agreed to?

(*Amendment is agreed to.*)

Chairman.] Is there anything further on Clause 25: are there any questions or observations The question is that Clause 25, as amended, stand part of the Schedule.

(*Clause 25 of First Schedule, as amended, is agreed to, subject to further revision.*)

PART VI: *Breaking Open Streets, etc.*

ON CLAUSE 26 OF FIRST SCHEDULE.

Chairman.

555. Now we come to Clause 26?—(Mr. *Whitelegge.*): On behalf of the Main Line Railway Companies, including the London Passenger Transport Board, may I be allowed to make a general submission with regard to Part VI of the Schedule to this Bill, and may I make it now for reason that Clause 26 is the first Clause in that Part?

556. I think that would be convenient?—Thank you, my Lord. This Part VI consists of six Clauses, Nos. 26-31, and it deals, as the heading to the Part states, with the breaking open of streets. It is intended to be a complete code, therefore, on the breaking open of streets. When the Railway Companies were asked to submit their amendments to this Bill in general, they came to the question of considering Part VI, and

they felt unable to submit any concrete amendments, but instead they put on the paper which your Lordship and the Committee have before them a short statement to this effect: "As the Report of the Joint Committee on the Breaking Up of Streets by Statutory Undertakers only came into the hands of the Railway Companies and the London Passenger Transport Board on Friday the 24th June, they have not had sufficient time in which to consider that Report in detail in connection with this Bill. They will, however, in the course of the next few days be submitting some amendments based upon that Report."—Now, my Lord, it has not been found practicable in the interval to prepare any such amendments and I desire, if I may be allowed, to submit a general proposition instead of submitting amendments.

557. There is only one point about that. How do you wish to implement that?—I wish to ask the Committee to give a decision on a point of principle first of all, and the amendments can follow.

558. I was only thinking of the machinery of getting a decision on your submission?—Yes.

559. Go on, please?—My Lord, I have referred to the Joint Committee on the Breaking up of Streets by Statutory Undertakers. May I briefly refer to that as the "Streets Committee"?

560. Yes?—That Committee is well-known to your Lordship, but I may be allowed to remind your Lordship that it was a Joint Committee of both Houses of Parliament, the constitution of which was just the same as that of this present Committee to-day, namely, seven Members from each House. The Terms of Reference of that Committee are important. May I just quote from paragraph 1 of the Report of the Streets Committee? I need not trouble your Lordship to turn to it, I think. It is on page vi. I desire my Lord just to draw attention to the Terms of Reference. The Report says: "We were appointed to consider those sections of the Gasworks Clauses Act, 1847, the Waterworks Clauses Act, 1847, the Electricity Supply Acts", and so on, "which relate to the breaking up of streets for the purpose of laying pipes and other works, and to report what, if any, modifications of those provisions should be made to meet modern conditions with a view to their incorporation in future Bills and Orders promoted by statutory undertakers." My Lord, that Committee sat for six days, I think, altogether, and the chief protagonists in front of it were the highway authorities, the public utility undertakers and the railway companies. Each of those bodies is represented here to-day, and in front of the Streets Committee each of those bodies submitted the provisions which they would like to see inserted in future legislation. They appeared by counsel supported by evidence and the whole question of the breaking up of streets may, I think, fairly be said to have been exhaustively canvassed. The Streets Committee gave their decision at the end of June, but before that decision was available, this present Bill was in draft and, in fact, was ordered to be printed on the 24th May. The draftsman of the Bill, when he came to Part VI, was not unnaturally in some difficulty, and so, my Lord, we find on page 21 of the Second Report of the Central Advisory Water Committee (that is the thin volume) this statement: "In view of the enquiry instituted by a Joint Committee of both Houses of Parliament into the powers of public utility undertakers to break up public streets," (that is the Streets Committee) "we have decided not to consider major alterations of the existing Code as between water undertakers and highway authorities. Sections 28 and 30 to 34 of the Act of 1847 are accordingly reproduced, with some minor alterations, in Part VI of the First Schedule." So the position is, as I gather that Part VI of this present Bill to-day, is still based on the Act of 1847. I may just fortify that by saying that the Association of Railway Companies had a letter from the Ministry of Health in May in which they said: "In the Minister's opinion it would be inappropriate to include a protective clause on the lines asked for by the Railway Companies while the question is still under the consideration of the Joint Select Committee." Anyway, my

Lord, the position to-day is that the Bill in front of your Committee does not contain any provisions which relate to the Report of the Streets Committee. That Report is now available and I understand, my Lord, on behalf of the Railway Companies, that they accept that Report for better or for worse. (Mr. *Hill.*) Do the local authorities? (Mr. *Whitelegge.*) I was going to say we shall perhaps hear in a moment whether the other parties to the hearing before the Streets Committee do the same. I do not know. Perhaps we shall hear that. I think it should be remembered that no party has fully succeeded in obtaining from the Streets Committee all that they asked for and therefore the decision of the Streets Committee is perhaps rather in the nature of a compromise, but so far as the Railway Companies are concerned, although they are disappointed with it to a great extent, they do accept it for what it is. My submission to your Lordship, therefore, is that your Committee might be disposed to accept the findings of the Streets Committee and to order that Part VI of this present Bill should be re-drafted to give effect to the findings of that Committee, which has exhaustively considered the very subject-matter of Part VI and in a measure, if I may say so, has paved the way for the future legislation. My Lord, if that is not an acceptable proposition, may I just state what will happen? The position will be that we shall all continue under Part VI as drafted. That is, still under the old law of 1847, more than 90 years old. (Mr. *Hill.*): And the 1925 and 1936 Acts. (Mr. *Whitelegge.*): With some amendments, but I should say, based upon the old law. That position, I think, can only be altered by amending legislation, and I think there was some discussion upon that at the beginning of yesterday's Session here.

561. Have you the shorthand notes here?—(Mr. *Hill.*): I think it is a mistake. I do not think it was really discussed. (Mr. *Whitelegge.*): There was mention of it. (Mr. *Hill.*): Possibly there was mention of it. It was not discussed in this connection. Nothing which would help the Committee in this connection was said yesterday, I am sure.

562. You will say what the principle was?—I do not think the principle of this was discussed.

563. But the question of the amendment of the existing law was raised; that is the point I am referring to?—The general question. (Mr. *Whitelegge.*): I can say with confidence that it was mentioned, which is sufficient for my purpose. In that connection may I again call attention to page xxiii of the Report of the Streets Committee.

564. We had better get copies of that? (*Copies are circulated.*)—About half way down the page the paragraph begins in quotation. I need not read it all, but the summary of it is as follows: "'The suggestion of the highway authorities therefore is that it is impracticable merely to apply the new proposals to undertakers in future Bills and Orders which they may promote, that the Clauses Acts require drastic amendment to meet modern conditions, that it is urgently necessary that this amendment should be brought into operation so as to apply at once to all gas, water and electricity undertakers and all highway authorities, and consequently that the Joint Committee should consider the desirability of recommending to both Houses that a Bill should at once be introduced into Parliament to make such modifications'", and then it goes on to deal with the various Acts which are to be modified. Then it finishes in this way: "With these conclusions the undertakers expressed agreement, and, were the matter within our terms of reference, we should strongly recommend the adoption of the course suggested by the Associations. But, even were that course adopted, it would probably be some years before the legislation necessary to give effect to the proposals could be passed." So that your Lordship sees that at some stage the highway authorities and the public utility undertakers were in agreement with the proposal for immediate legislation. Whether that is so now we shall hear; but my

5° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. Charles L. des Forges, Mr. J. K. Swales, M.Inst.C.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. A. B. Winser, Mr. T. E. Pryce-Tannatt, Mr. J. F. Haseldine, Mr. A. W. White, Mr. John J. McIntyre, Mr. R. H. Tolerton, C.B., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, and Mr. C. H. Whitelegge. [*Continued.*

main point is that the prospect of legislation to amend this position is not a favourable one. Even the Streets Committee say it may take some years, and that is possibly an under-statement and in these times it is difficult to imagine how Parliament, with so many matters of greater moment to attend to, will be able to find time for such amending legislation of this character.

565. What you are really asking us to do is to omit Part VI and have a fresh Part drafted which would cover the recommendations of the Carnock Committee; is that so?—Yes, my Lord. I was about to conclude.

566. I have just referred you to the proceedings of yesterday, the decision of the Committee on Clause 5?—Yes.

567. That this was a Committee and a Bill which was to deal with the codification, the consolidation and minor amendment of the existing law?—Yes.

568. But you are asking us to produce a Part containing brand new law, are not you?—Yes.

569. I do not know whether we could do that?—May I just add one thing?

570. Therefore treating the Carnock Committee's Report quite differently from any other Report; you are asking for totally different treatment from anybody else, are not you?—Yes, my Lord, that is so.

571. I do not know that we could do that?—Before the Committee come to a decision, might I just say this? This Bill is not really so innocent a Consolidation Bill, perhaps, as we are told. It does contain much new matter; it contains, for example, a totally new power to water undertakers in Clause 23 to lay pipes across private land; that is a power that they never had before. (Mr. *Armer.*): They have always had the power to lay pipes across private land, with consent. What the Bill does is to say that consent shall not be unreasonably withheld.

Chairman.] What the point is that the Committee have to decide in the first instance, before we go into any minor points, is whether or not they are going to treat this question in a totally different manner from that in which any other question has been treated.

Mr. *Edwards.*] We did not have that Report before us when we made that decision, and it does not seem to me that carrying out a recommendation so important as this is inconsistent with that decision.

Chairman.] This is quite new law, is it not?

Mr. *Edwards.*] Yes.

Chairman.

572. It means to say we should have to adjourn the Committee, ask the Ministry of Health to study this Report, redraft this Part, and it means that the Bill would be lost this Session. I do not think you could do that?—(Mr. *Hill.*): It would be quite impossible, having regard to the state of business in the Offices, to get a re-draft before—

573. I do not know if you have considered this Report yet?—I have looked through the Report, but the first thing which struck me was that it was inconceivable to me that that Report would be accepted by the other people who were represented before the Joint Select Committee as being the last word on the subject. If, of course, the highway authorities and all the associations of local authorities were to get up now and say that they were perfectly content to accept that Report in its entirety, and would not fight in Committee any Bill which was drafted to implement that Report, there might be something to be said for an attempt to produce a substitute now.

Mr. *Edwards.*

574. What is the meaning of this sentence here: "With these conclusions the undertakers expressed agreement"? What does that mean?—I cannot express an opinion as to what the Committee meant in their Report. I was not present. (Mr. *Armer.*): That was assent to their general recommendation, not to the thing being dealt with piecemeal. (Mr. *Hill.*): The point I would make is that

5° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. Charles L. des Forges, Mr. J. K. Swales, M.Inst.C.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. A. B. Winser, Mr. T. E. Pryce-Tannatt, Mr. J. F. Haseldine, Mr. A. W. White, Mr. John J. McIntyre, Mr. R. H. Tolerton, C.B., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, and Mr. C. H. Whitelegge. [*Continued.*

first of all I would say, if the Committee dealt with it they could only deal with it *qua* water undertakers. It is surely a matter which ought to be dealt with by a general *ad hoc* Act dealing with all sorts of undertakings, water undertakings, gas, electricity and everything else, and unless the local authorities are prepared to accept that Report without consent, it would, of course, wreck this Bill completely to insert these clauses in it, even if this Committee thought they were proper, because the undertakers would undoubtedly fight find them in both Houses of Parliament when the Bill went back on Report. It would certainly wreck this Bill. That is all I can say for it.

575. I think it is important that we should understand what this Report means. This is the first time some of us have seen this and here you have a very strong recommendation from a very important Committee, which says: "The suggestion of the highway authorities therefore is that it is impracticable merely to apply the new proposals to undertakers in future Bills and Orders." I just want to follow this. At first glance one does not grasp these things. Then it says: "With these conclusions the undertakers expressed agreement." Am I to understand that at that time the undertakers referred to (the people represented here to-day) did agree that that should be embodied in all future Bills? Let us have that point clear?—(Mr. *des Forges.*) Mr. Swallow was there. (Mr. *Swallow.*) I think I can help the Committee on this point. The reference which the Honourable Member has made to the Report is not on the principle of the proposals of the Committee but on this one point only, that is, whether the recommendations of the Committee should be embodied piecemeal in individual Acts and Orders as the Promoters come to Parliament from time to time, or whether there should be a general Act applying those recommendations to all Undertakers at the same moment. Now it is with that proposal that the Associations and Highway Authorities were in entire agreement. They pointed out to the Joint Committee that some Electricity Companies, for example, never had any occasion to come to Parliament at all, and that ordinary limited companies had all the powers they needed; they are unrestricted as regards capital; they have ample charging powers, and many of them can stay away from Parliamentary control for 30 or 40 years. That was the main reason which induced the Highway Authorities with the concurrence of the Statutory Undertakers to say to the Joint Committee "Although you are confined by your Terms of Reference"—and that paragraph has been read—"to recommending the kind of provision which would be included in future Acts and Orders, our view is that the recommendations will never get full force because some of these companies will never come to Parliament. If they do they will come very gradually and everybody will be deprived of the benefit of the recommendations." That is the whole point of that observation which has been quoted so much this morning. As regards the attitude of the Highway Authorities generally, the Report, as has already been mentioned, was only printed at the end of last month and the Highway Authorities have not yet—I do not think any one Association has—had an opportunity of considering the Report in all its bearings but I want to mention this further matter. Before the Joint Committee was set up there was a conference called the Conjoint Conference of Local Authorities and Public Utility Undertakers, established in 1926, or 1925, as the result of the recommendation of the then Director of Roads, Sir Henry Maybury. He called a conference of all Highway Authorities and Public Utility Undertakers and said: "It is undesirable in the opinion of the Roads Department that there should be these constant conflicts before Parliamentary Committees on this vexed question of Roads Clauses. Cannot you appoint a Committee, put your heads together, and settle a code for incorporation in future Acts and Orders?" That Committee started their sittings in 1926, and even in 1938 they had not reached an agreement, after 12 years of negotiation. That is why this Joint Committee was set up,

I venture to think, and my suggestion is that although the Railway Companies are unhesitatingly accepting the conclusions of the Report, the other bodies concerned will realise the difficulty of putting that Report into words because it applies differently as regards Gas, Water and Electricity and Railways and, I should think, the common sense course would be for this conference, or some other body, which was set up in 1926, to be reconstituted so that another attempt can be made to settle the basis of a new Highway Code.

Mr. *James Griffiths.*

576. Another 12 years?—That depends on the constitution of the Committee. There is this difference, that whereas the 1926/38 conference had nothing to go upon, and they were at large as regards their negotiations, now the new body, if set up, will be able to refer to the conclusions of the Joint Committee, and will be able to produce a clause which, at any rate, will represent a substantial measure of agreement on most points. But I am quite sure that it is impossible for this Committee to deal with this point in time to permit of this Bill being passed within a reasonable measure of time. (Mr. *Swift.*) On behalf of the County Councils Association I agree with what Mr. Swallow has said, that it is quite impossible to give any undertaking that the Association approve the proposals of this Committee. For instance, there is a paragraph in the Association's preliminary remarks on this Bill, which is really outside the scope of this Bill, that consideration should be given to the practicability of requiring all pipes and lines belonging to different types of undertakers to be placed in the same trench. I do not think this Committee could really deal with a question so wide as that.

Chairman.

577. It seems to me that while the Railway Companies are satisfied the other interested parties, I will not say are not satisfied, but really do not know enough about it to be able to express an opinion. That is really your point. In those circumstances it seems to me very difficult to omit Part VI and put in a new Part VI. Perhaps it would be rather dangerous to do so, as it seems to be a matter which requires a good deal of consideration. One Committee sat on the matter for 12 years and has not yet evolved anything. Perhaps then we had better go on with Part VI as it is, get the thing straight, hoping that at some future date, not so long perhaps as 12 years, the Ministry of Health may have been able to get the parties together and come to some conclusion?—(Mr. *Hill.*) The Ministry of Transport, my Lord. It will not be for the Ministry of Health to get them together.

Chairman.] If that is the Committee's view, we might go on with Part VI.

Mr. *Edwards.*

578. Are all the authorities against the Railway Companies on this?—(Mr. *des Forges.*) May I say on behalf of my Association that their views are entirely those expressed by Mr. Swallow and Mr. Swift, the gentleman representing the County Councils Association. This Report was published on the 20th June and my Committee that are considering it have not even looked at it.

Chairman.] We are not trying to say that you ought to have done in a fortnight what other people have failed to do in 12 years. It is no good prolonging the discussion if we do not intend to accept the submission, and we had better go on with Part VI. Does that meet the views of the Committee?

(*The same is agreed to.*)

Chairman.

579. We will continue with Part VI as it stands?—(Mr. *Whitelegge.*) Will you bear with me for one further moment. In view of the Committee's decision, the Railway Companies are in a real difficulty in this matter. Although they are protected to an extent by Clause 29, would your Lordship permit me to ask the Ministry of Health whether, without asking him to fetter his decision, in a case where he is asked to arbitrate on a Railway Company having imposed unreasonable conditions —I do not know whether I make myself

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

clear, but under Part VI a Railway Company can withhold their consent, such consent not to be unreasonably withheld.

580. I think the Committee will agree that they want to make everything as easy as possible for the Railway Companies, and I am sure the Ministry of Health would agree. But you must see that it is really quite impossible to put into this Bill a fresh amendment of the law especially in view of the very fluid state of opinion on the subject. But if you want to put in something to help the Railway Companies to tide over until a new decision is taken upon the matter, I am sure the Ministry of Health, The Ministry of Transport, or whoever it may be, will be only too glad to do anything they can to help you out?—I was not proposing any amendment of the Bill.

Chairman.] Will you get into touch with them and see how you can make the thing suit you as well as possible? Your proposal would not have been possible under the circumstances. Let us get on now with Part VI.

(*Clause 26 of First Schedule is agreed to, subject to further revision.*)

ON CLAUSE 27 OF FIRST SCHEDULE.

Chairman.

581. There is an amendment on page 38, line 42, leave out "seven" and insert "twenty-eight"?—(Mr. *Hill.*) This is an amendment to meet the Highway Authorities who say that seven day's notice is not sufficient. (Mr. *Seager Berry.*) I desire to resist this amendment on behalf of the Sunderland and South Shields Water Company and the Sheffield Corporation. This is in effect taking one of the recommendations of Lord Carnock's Committee and putting it into this Bill. As the Committee have decided not to deal with the recommendations of Lord Carnock's Committee, I hope they will not allow this amendment. May I refer the Committee to the Second Report of the Central Advisory Water Committee at page 46. They say: "Clauses 27 and 28 reproduce Sections 30 and 31 of the Act of 1847. There are some minor drafting alterations to bring the clauses into conformity with the language used in modern Acts. In particular the length of notice to the highway authority is increased from three to seven clear days." Seven clear days is what appears in the Bill, and that is the recommendation of the Advisory Committee. To put in 28 days would, as I mentioned to your Lordships, be giving effect to the recommendations of Lord Carnock's Committee, and I hope your Lordships will not do that and thus deal piecemeal with the recommendations of the Joint Committee, but will give effect to what was the recommendation of the Advisory Committee. To put in 28 days would be a large extension of the general law and it would give considerable difficulty to undertakers. They will have to give 28 days' notice before they can break open the street for the purpose of laying a main to afford a supply to a consumer who has asked for it. They submit that that would be a most unreasonable and harsh infliction. The existing law requires only three days' notice. That probably is a rather short period. We hope that your Lordships will agree to what stands in the Bill, namely; "seven clear days' notice." (Mr. *Haseldine.*) On behalf of the British Waterworks Association and the Water Companies Association, I wish to support Mr. Berry. (Mr. *Swallow.*) Mr. Berry is right in saying that this is one of the recommendations of the Joint Committee, but it is also the result of an express decision of a Select Committee of the House of Commons on the Northampton Gas Order, 1925, in so far as it increases the period of three clear days. In that case the Committee decided that the period of three days was absolutely insufficient and increased it to 14 days. So this Committee could without any impropriety, I suggest, and without accepting the recommendation of the Joint Committee on the Breaking up of Streets, increase the period to 14 days. That has been followed in innumerable local Acts since the 1925 decision. (Mr. *Armer.*) I may point out that this is not a recommendation of the

Joint Committee on the Breaking up of Streets. Their recommendation was 35 days. It was 28 days for approval, and seven day's notice afterwards. It seemed to the Ministry that this was a reasonable proposal, to increase the seven days to 28 days in view of modern conditions. (Mr. *Swift.*) Seven days is a quite inadequate notice for a Highway Authority where there is a proposal for a large water main to be laid in one of our roads.

582. You support 28 days?—We should like 28 days—certainly, yes. We have asked for it. (Mr. *Winser.*) I am instructed on behalf of the Colne Valley Water Company to support the objection to the alteration from 7 days to 28 days. (Mr. *Hill.*) Before the Committee arrive at a decision may I, in order that there may be no misapprehension, point out that this applies only to the laying of mains, and not to the laying of service pipes from the main to private houses.

Lord *Faringdon.*

583. Could you tell us what is the time required for the other pipes?—The service pipes?

584. Yes?—There is no time.

585. They can do it from one day to another?—They go and lay it and make good. It is only the mains that this applies to.

Mr. *Edwards.*

586. How did you come to have this Amendment?—The Road Authorities asked for it. (Mr. *Swift.*) The County Councils Association did ask for 28 days.

587. Would 14 days, which has been suggested, be inadequate?—We would accept 21.

Chairman.

588. Appendix " A " of the Report of the Committee on the Breaking up of Streets—if you want to look at it—is the point to which you referred, Mr. Berry?—(Mr. *Seager Berry.*) Yes, I had not got that before me, and I apparently made a mistake in saying it is 28 days; it is 35. I am sorry. (Mr. *Haseldine.*) In view of a suggestion made by a Member of the Committee that we should accept 14 days, may I refer the Committee to the Fire Brigades Act, 1938, Section 3 of which says: " Where a person proposes to carry out any works for the purpose of supplying water to any part of the borough or district of a Fire Authority, he shall, not less than 14 days before the works are commenced, give notice in writing thereof." In this particular case the Fire Authority have to consider a number of things—the size of the main, its carrying capacity, and the number of hydrants, and they have quite a lot of work to do in the 14 days. I do respectfully suggest that in the case of a highway authority all they have to do is to send an Inspector on to the site and agree with the undertaker as to which side of the road the main shall be laid, and I really think that the 14 days as in the Fire Brigades Act should be quite sufficient.

Chairman.] It resolves itself into a question of the number of days?

Lord *Darcy de Knayth.*

589. What is the position supposing you receive a request for authority to lay one of these mains and you have not made up your minds? Do not you just say " no " for the moment? Cannot you keep the position open?—(Mr. *Swift.*) No, you have to approve the plan, or if you do not approve it, it then goes to the Justices to determine, or to an arbitrator.

Lord *Faringdon.*

590. I do not quite gather what is the reason of the objection to the longer period. It seems to me that the Water Supply Company which is going to lay mains has probably made up its mind a considerable time in advance, and I cannot see why it should be any inconvenience to them if they have to give even six months' notice. I do not really follow what the objection is?—(Mr. *Haseldine.*) We cannot control the good people who desire mains to be extended. They very often do not make up their minds until the last moment. One job may be closing down—let us say a job of building construction may be closing down in one place, for some reason or other, and the builder wishes to shift his men to do some work in the area of supply of another water undertaking.

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

He very often comes along and asks for a main to be laid and to be laid within a week or, it may be, within a fortnight. We do feel that with this extended notice of 28 days we should only get a number of complaints from industries that we are holding them up. (Mr. *Hill.*) On what has been said may I draw attention to Clause 32 of the Schedule. I think it is pretty obvious that where a Water Company are proposing to lay a main for their own purposes they could give any length of notice as the noble Lord suggested. When a builder calls upon them to lay a main he cannot expect them to lay it at a moment's notice. In fact the clause says they have three months in which to lay it—Clause 32, sub-section (2) of the Schedule. Is not it merely a question of which is reasonable, 14, 21, or 28 days?

Chairman.] It resolves itself into a question of 14 days or 21 days, from the general opinion which has been expressed. I do not know whether the Committee would wish to come to a decision on that point at the present moment, or whether we should decide on the matter without clearing the room. We are going to discuss the penalty clause when we do clear the room, and we might leave this question until then. It is quite a simple issue. I do not think it will pass from our minds.

Mr. *Edwards.*

591. I do not see any point in making it 28 days unless 14 is going to do an injury to somebody. I have not gathered from what has been said that anybody is going to be hurt by accepting 14 days. If 14 days is adequate, there is no point in making it 28?—(Mr. *Swift.*) With concrete roads and roads constructed as they are nowadays, it is a very complicated matter breaking them up. It is quite a different matter from what it was 100 years ago when they were just gravel roads. It may involve great difficulty.

592. The point is that it rushes the authorities and compels them to do it in a hurry?—There may be such things as widenings. I think it is as well that these things should be deliberated where there are large mains to be laid. You have all seen streets broken up, filled in and broken up again. (Mr. *Whitelegge.*) On the question of pipes on railway bridges, 28 days is by no means too long a time to consider the safety of the bridge and the provision which ought to be made for the public.

Lord *Darcy de Knayth.*

593. Would everybody agree to 14 days?—(Mr. *Haseldine.*) All these points must have been considered in connection with the Fire Brigades Act, 1938, and we, the water interests, are prepared to accept 14 days. (Mr. *des Forges.*) I am in a difficulty in that I represent both highway authorities and water authorities, but I shall be quite willing to accept the suggested compromise of 14 days.

Chairman.] We have reached an agreement that it should be 14 days instead of 28.

(*The same is agreed to.*)

(*Clause 27 of First Schedule, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 28 OF FIRST SCHEDULE.

Chairman.

594. Is there anything on Clause 28?—(Mr. *Whitelegge.*) There is one small point. The proviso to Subsection (1) of Clause 28 provides " that, if any difference arises in connection with the plans submitted for approval, that difference shall be determined by a Court of Summary Jurisdiction." That is taken from the old legislation of 1847 when, no doubt, in those days a court of summary jurisdiction was a very proper authority to decide on plans.

595. It was the only one, was it not?—May I suggest in principle and if it is approved, I will agree an amendment afterwards, that the court of summary jurisdiction should be displaced by a technical arbitrator? That is my proposition, that there should be an amendment either here or in Clause 29 to replace the court of summary jurisdiction by a technical arbitrator.

596. Do you see any objection, Mr. Armer?—(Mr. *Armer.*) No.

597. Would you agree to that?—Yes.

598. If the Ministry of Health agree, I think we might agree?—That is only in the case of railway property, of course.

Chairman.

599. What about the others?—(Mr. *Hill.*) I think the highway authorities would probably sooner go to the justices. (Mr. *Swift.*) We do not mind. It is a matter for the draftsman. (Mr. *Haseldine.*) The water undertakers would rather have an arbitrator.

Chairman.] I think an arbitrator is the general wish, is it not? Is it agreed that it shall be a technical arbitrator instead of a court of summary jurisdiction.

(*The same is agreed to.*)

(*Clause 28, as amended, is agreed to subject to further revision.*)

On Clause 29 of First Schedule.

Chairman.

600. There are a multitude of amendments on Clause 29; to leave out " dock undertakers " and insert " navigation authority " on page 39, lines 34, 42, 43 and 44, and on page 40, at lines 2, 4, and 7?—(Mr. *Hill.*) Those first seven amendments are drafting amendments consequential on a widening of the definition of " navigation authority " which now includes " dock undertakers."

Chairman.] Are those amendments agreed to?

(*The same are agreed to.*)

Chairman.

601. Then the next amendment is at line 9, at end insert, " (3) The last preceding sub-section shall, with any necessary adaptation, apply in relation to a level crossing which belongs to persons not being a railway company or navigation authority, as it applies in relation to a level crossing belonging to such a company or authority."—(Mr. *Hill.*) The new sub-section (3) is intended to meet a point raised by the Federation of British Industries, who pointed out that you frequently come across a level crossing which does not belong to a railway company, but possibly to a colliery company, or even to a factory which has premises on both sides of the road. It is to meet that point.

602. Does that meet your views, Captain Ellen?—(Captain *Ellen.*) Yes. (Mr. *Swallow.*) There is one small point on that. My submission is that level crossings other than those constructed with statutory authority, are illegal, and are a nuisance at common law, unless they are constructed before the road became a highway. In colliery districts, your Lordship will know, that these level crossings are very frequently, and of necessity, constructed either overhead—those do not matter so much; there are cables over the road—or across a highway. The local authority or their predecessors have tacitly allowed these crossings to be constructed, and I do not think anybody would object to consultation with the owner before they are broken up, but I do suggest to the Committee that the insertion of this clause in this Bill may have the effect of legalising something which is now illegal. My suggestion for the Committee's consideration is that after the words " level crossing " in the second line, should be added the words " constructed or maintained by statutory authority." There are some constructed with statutory authority. Those which were there before it was a highway have statutory authority or have legal authority. It would then read " the last preceding sub-section shall, with any necessary adaptation, apply in relation to a level crossing constructed or maintained with statutory authority which belongs to persons " and so on.

603. What do you say, Mr. Hill?—(Mr. *Hill.*) The law as stated by Mr. Swallow is perfectly right. Unless the crossing was in existence before the road was dedicated to the public, as it may well have been, or unless it was constructed under statutory authority, it is technically a nuisance to the highway; but of course, as he says, many of these crossings in colliery and industrial districts have been winked at for many years by the local authorities. Instead

5° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. Charles L. des Forges, Mr. J. K. Swales, M.Inst.C.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. A. B. Winser, Mr. T. E. Pryce-Tannatt, Mr. J. F. Haseldine, Mr. A. W. White, Mr. John J. McIntyre, Mr. R. H. Tolerton, C.B., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, and Mr. C. H. Whitelegge.

of his suggestion, I should have suggested that we should leave it as it is and let those crossings get the benefit of notice under this sub-section, but, perhaps, put in a proviso that nothing in the sub-section shall be deemed to legalise the existence of any crossing which is not legally there.

604. Would that meet you, Mr. Swallow?—(Mr. *Swallow.*) Yes, that would meet my point.

605. Perhaps you will settle the wording?—(Mr. *Hill.*) Yes. Before the next time round we will settle some words.

Chairman.] It is agreed that that shall stand over for the words to be settled?

(*The same is agreed to.*)

Chairman.] The next amendment is on page 39, line 17, leave out sub-section (4)?—(Mr. *Hill.*) Sub-section (4) is now rendered unnecessary by the definitions we have put into the general definition clause.

606. That is really a drafting amendment?—Yes.

(*The same is agreed to.*)

(*Clause 29 of First Schedule, as amended, is agreed to, subject to further revision.*)

On Clause 30 of First Schedule.

Chairman.

607. The first amendment is at page 40, line 29, line 32 and line 36, leave out " footway " and insert " footpath "?—(Mr. *Hill.*) This first amendment is a drafting amendment.

(*The same is agreed to.*)

Chairman.

608. Then at line 37, leave out " cause it " and insert " make adequate arrangements for the control of traffic and shall cause the roadway or footpath "?—(Mr. *Hill.*) The second amendment is one to meet one of the Associations interested in highways who think that the undertakers should take on the responsibility of shepherding the traffic while the road is broken up.

Chairman.] Is it agreed that we insert those words?

(*The same is agreed to.*)

(*Clause 30 of First Schedule, as amended, is agreed to, subject to further revision.*)

On Clause 31 of First Schedule.

Chairman.] Is there anything on Clause 31 itself?

(*Clause 31 is agreed to, subject to further revision.*)

On Proposed New Clause after Clause 31.

Chairman.

609. It is proposed at page 41, line 8, at end to insert the following new clause: " 32. In the application of sections twenty-seven, twenty-eight, thirty and thirty-one of this Part of this Schedule, to a street not maintainable at the public expense the expression ' persons having the control or management ' shall be deemed to include the authority by whom the street would be maintainable if it became a highway maintainable at the public expense and accordingly any notice required by section twenty-seven of this Schedule and a copy of the plans referred to in section twenty-eight thereof shall be served on that authority "?—(Mr. *Hill.*) This is a clause which I am told has now become common form in local Acts and is asked for either by the Urban District Councils or the County Councils and possibly by both. It is this, that a street may not at the time be repairable by any authority, but it may at any moment become repairable by an authority, and the authorities say that they ought to have some say as to the laying of pipes in a street for which they may become responsible next year, as they have in the case of a street for which they are already responsible. I think that is a fair statement of the object of the new clause.

Chairman.] The question is that the new Clause 32 be agreed to?

(*The same is agreed to.*)

Chairman.

610. That brings us to the end of Part VI. Mr. Hill, you will consult with the Railway Companies to see if there is

anything you can do to meet them?—(Mr. *Hill.*) I think it is for Mr. Armer to do it.

611. I think we must get this clear that it is the intention of the Ministry of Health or the Ministry of Transport—I do not know which it is—or both to take up this question of the Report of the Committee on the Breaking up of Streets by Statutory Undertakers, and to bring in legislation in due course?—(Mr. *Armer.*) It is the Ministry of Transport's business altogether, and I cannot answer for them.

612. Are they here?—No.

613. Will you ask them to come here after lunch? We should like to have their views. The point is that there is a little ambiguity perhaps as to the objects of this Bill. It is really a consolidation Bill more than anything else. I think we want, as we did get in the case of water, some sort of decision as to what the intention of the Government is to implement the reports of these various Committees. Therefore, with the Committee's consent I should like to see the representative of the department to give us a statement in the same way as we had about water. Will you see to that Mr. Armer?—(Mr. *Armer.*) Yes, I will.

ON PART VII.

ON CLAUSE 32 OF FIRST SCHEDULE.

Chairman.

614. There are two amendments on Clause 32. Page 41, line 14, leave out " rates specified in the special Act " and insert " prescribed rates "; line 16, after " of " insert " providing and "?—(Mr. *Hill.*) Both those amendments are purely drafting.

Chairman.] The question is that those amendments be agreed to.

(*The same are agreed to.*)

Lord *Faringdon.*

615. I have a point I should like to ask Mr. Hill or Mr. Armer about on this clause. Can you tell me why it has been decided to raise the rate of return on the capital expended in subsection (1) of Clause 32 from the 10 per cent. which I believe it used to be to 12½ per cent.?—(Mr. *Armer.*) That is common form now in modern local Acts.

616. So I notice the Committees say; but they do not themselves give any reason for it, and it seems to me a very extraordinary practice, when, after all, most of us are very keen to get water supplies to remote areas, to make it more difficult to do so by raising the return on the money expended. Also it seems an extraordinary provision in view of the fact that this same Bill reduces the maximum return on capital from 10 per cent. to 7 per cent., does it not?—Yes.

617. It seems to me it would only be consistent to reduce the return in this case too?—I think the reason for the increase from 10 to 12½ per cent. was first put into special local Acts because of the change in the cost of material—pipes and so on, which has occurred in recent years, particularly since the war.

618. Excuse me. It may be very stupid of me but I still cannot see why. After all the increase in the cost of the pipes increases the capital cost, but I do not see why the increased capital cost should therefore have a higher rate of interest?—There is the increasing cost of all your pumping machinery and so on.

Mr. *Edwards.*

619. Why increase the percentage?—Because the 10 per cent. return was not regarded as sufficient to cover overheads.

Lord *Faringdon.*

620. I do not see why, if it is going to cost you twice as much to lay the mains, you should increase the percentage?—The cost to the water undertakers of providing that water is not confined to the cost of laying the mains, although the percentage return is confined to that. It is the cost of producing the water as well as laying the mains; and it is the cost of producing the water which has so increased of recent years.

Mr. *James Griffiths*

621. Will not the effect of this provision be to make it more difficult and more expensive for people on the outskirts of towns and of the areas of water undertakers to get water; and in view of modern housing developments, where the tendency is to go out in a spiral everywhere, is not it going to make it much more difficult and much more expensive to give water on the fringe of every town? Does the Minister of Health think that that is a matter of good policy?—It will certainly make it more difficult.

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

622. And a little more expensive. Does the Minister think that is good policy?—I think the Drafting Committee followed the decisions of Parliament in special Acts. It has been common practice for the last few years to do this.

623. If I may follow that up, you know the position that some two or three years ago the Ministry of Health placed £1,000,000 at the disposal of rural authorities to help them to give water supplies. Since then the £1,000,000 has become exhausted, and there are no funds at all. I know myself, and every Member of the Houses of Parliament, knows that in every constituency where there are rural areas they are being pressed all the time: " We cannot afford it unless we get grants "; and here are the Ministry making it more expensive for people to get water?—This does not apply to supplies to local authorities. This is what the individual consumer can demand. The rateable value of his house must be such as to give 12½ per cent. interest on the cost of laying the main. He has to enter into an agreement for three years. There is a certain liability which the Company takes in supplying the water. The question of local authorities is a matter for agreement between the Company and the local authority.

Mr. *Levy.*

624. Is not the effect of this to create what I describe as more uneconomic areas and make it more difficult? The practice of the Minister of Health, I should have thought, would have been to cease to make uneconomic areas in the hope that they will become economic areas so that the water supply shall be extended. This is having the reverse effect. Am I right in that?—To some extent you are right, yes.

625. Is that good policy?—I can only say on this that the Ministry have accepted the decision of Parliament on recent Local Acts which are very numerous. I think you will find it in every Special Act in the last eight or nine years.

Mr. *Levy.* A number of us are diametrically opposed to that.

Lord *Darcy de Knayth.*

626. Would it not be right to say that to alter this to 10 per cent. would be to reverse modern practice?—That is so.

Lord *Faringdon.*

627. To keep it at 10 per cent. would be consistent with the law as it stands? You are in fact changing it?—It would be consistent with the law of 1847. (Mr. *Swallow.*) I have an amendment on the Paper to deal with this very point, and in a few words I think I can put the position before the Committee. The amendment is on page 5 of Document Number 10. It is to reduce the guarantee from one-eighth to one-tenth. As the noble lord pointed out, the 10 per cent. guarantee has remained in operation uninterruptedly from 1847 to about 1918 or 1919, and I well remember the late Mr. Kenneth Hawksley, an experienced water engineer well known to your Lordship, giving evidence in support of the very first alteration which was proposed in the 10 per cent. He—it was rather instructive evidence—said he had referred to his grandfather's papers, his grandfather having been engaged in the consideration of the Waterworks Bill of 1847; and he produced papers showing that when the Committee on that Bill fixed the 10 per cent., they had regard solely and only to the rate of interest prevailing at that moment. My recollection is that he said that the current rates were then between 3 and 4 per cent. This was just after the War. He then said " We now have to pay 6 per cent. or thereabouts for money, and that is a very good reason for increasing the 10 per cent. to 12½." And in some cases it was increased to a higher figure. Now I represent the Urban District Councils

Association, whose membership is about 600, of whom 400 Urban District Councils are themselves water undertakers. The remaining 200 are not. Therefore I do suggest that the Urban District Councils Association can reach an impartial decision as to what is fair and reasonable in the circumstances, and in spite of the fact that two-thirds of their members are water undertakers and would benefit by the increase from 10 to 12½ per cent., they do ask your Committee to preserve the existing law, the 10 per cent. This section which you are enacting is not a positive provision. It is only going to be brought into operation in particular areas, either on the application of the undertakers or at the initiative of the Ministry of Health. The Association do suggest that you should leave the 10 per cent. in the Schedule, and if a particular undertaker can make out a case for more than 10 per cent. he should be entitled to submit it to the Ministry or to Parliament and ask for more. I do agree that whenever a request has been made for more than 10 per cent. during the last 20 years, it has been invariably allowed. The standard figure, as Mr. Armer points out, is 12½ per cent.; there are cases of 15 per cent. and more. I suggest that 10 per cent. is adequate in many areas and that therefore 10 per cent. should stand in this clause and that where there is a sparsely populated area, say a remote country district, where 10 per cent. is not an adequate return, then the Minister should use his discretion and allow more than 10 per cent. if occasion requires. But the justification, apart from the special circumstances, for 10 per cent. is that the rates of interest prevailing now are not materially different from those which prevailed in 1847. (Mr. *Armer*.) They are materially different from those which prevailed 15 years ago. (Mr. *Swallow*.) Yes, they are. They have fallen. Whereas 6 per cent. or thereabouts was an average return on a water company's stock in 1919, I think those who follow me will admit that now round about 4 per cent., between 4 and 4½ per cent., is a normal return on the ordinary stock of a water company, and that debenture stock can be raised at much lower rates. (Mr. *Haseldine*.) Would you be good enough to hear Mr. White on behalf of the British Waterworks Association and the Water Companies Association on this point? (Mr. *White*.) The position of water companies to-day is that if they are required to supply water with a guarantee of 10 per cent. on the cost of a main, they are going to supply that water at a loss. The same is equally true of 12½ per cent. The change in circumstances which has taken place since 1847 is rather more than just the rate of interest to which reference has been made. It is true that in 1847 the rate of interest was something like 3 to 3½ per cent., and at that time you could work out what it would cost to give a water supply something on these lines, that you would want 3½ per cent. interest on the money you had laid out for a main; you would want approximately another 3½ per cent. for the head works —that is the pumping machinery, and the trunk mains—and you would want about 3½ per cent. for the working expenses of producing the water, paying local rates and all that sort of thing; and the total cost in those days in terms of the cost of laying a main was something like 10½ per cent. To-day the position is vastly different. I will not weary your Lordship by saying what was the position in 1921 when committees were commonly giving $\frac{1}{6}$th instead of $\frac{1}{8}$th. I will deal with the position as it is to-day. One can put the position like this. Four per cent. is needed by way of interest on the cost of the main; 4 per cent. is needed for interest on the head works—that is the pumping machinery and the trunk mains—and 8 per cent. is needed for working expenses. Working expenses have increased far more than rates of interest, and the general level of expenses to-day of a water company is something like 50 per cent. of their gross income. So that the cost to-day of supplying a house with water would be something like 16 per cent. in terms of the cost of the main that you have to lay and, at either 10 or 12½ per cent., that supply is going to be given at a loss, and that is going to be borne by the other consumers of the undertaker. It is the other consumers that this clause protects.

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

Mr. *Edwards*.

628. Is it suggested that the last speaker is deliberately undertaking work that will not pay, or that he is working at a loss?—That would be so. (Mr. *Swallow*.) Mr. White says that.

629. From what Mr. White says you people are going to lose money. Do you agree with that Mr. Swallow?—No, I do not. I think the position is really this. The water undertaker is asked to lay a main, and in the bulk of cases the circumstances are such as to preclude a supply being given whether the figure is 10 per cent. or 12½ per cent. Then the local authorities step in and say, " This is a developing area. If you will lay this main for half a mile down a particular road, we the local authority "—and there is a power here to do it—" will guarantee a certain return on your expenditure ". I do not think the laying of a main is likely to be affected by whether it is 10 or 12½ per cent., but it is the principle of the thing that my Association are contending for, and they suggest that the 10 per cent. should be allowed, leaving the water company to ask for 12½ or even 15 per cent. if the special circumstances of their area should merit it.

Mr. *James Griffiths*.

630. I gather your point is that there is no reason why the standard should be altered, that the standard should be what it is and any variations in the standard could be approved in separate Bills when they come forward?—Yes. Although I have admitted that every time that a water undertaker has asked for 12½ per cent. since the War, it has been granted, I should suggest that there are hundreds of water undertakers who are still working throughout the country on the 10 per cent.

631. And less?—No, not less than 10 per cent. 10 per cent. is the minimum. (Mr. *Haseldine*.) I should have explained to your Lordship and the Committee that Mr. White is a well known chartered accountant and for the last 15 years has been giving evidence on financial matters connected with water undertakings in this country, in the committee rooms in this building. I know of no gentleman who has a wider knowledge on the matter of this particular clause. (Mr. *McIntyre*.) As representing the Rural District Council's Association, I should like to support the argument adduced by my friend Mr. Swallow. This is very important in rural areas in particular, more so perhaps than to some of the urban areas, and we do feel that the 10 per cent. should remain.

Mr. *Levy*.

632. You agree that if the amount is increased, it will make the supply, or extension of the supply more difficult?—I do, on behalf of rural districts.

633. That is what you want to avoid?—We do.

Lord *Darcy de Knayth*.

634. Then you differ from Mr. Swallow on that, do you not?—Oh, no.

635. Did not I hear Mr. Swallow say that he did not think that any change of this sort would affect whether a main was laid or not?—I did not understand him to say that. (Mr. *Swallow*.) What I meant was, that in practice you get very few of these border line cases. The 10 per cent or 12½ per cent. is the mark which divides obligation from freedom. If you can show that the revenue for three years will be 12½ per cent., then yon can say to the water company " You must lay your mains," but that point never arises. It is always a matter for discussion and the 10 per cent., if it is fixed, will be a better bargaining point for use with the water company when the local authority have to discuss the matter with them. In my limited experience I have never known one of these requisitions for a supply served on a water company. There may be a few isolated cases, but when the law is fixed the parties get together and behave like reasonable men; they merely say " We should like a supply " and it is given. If the water companies say that the revenue is insufficient, then the local authorities step in and they make up the difference.

636. So that all your 600 people are interested on that side of it?—No, 200 of my people are local authorities without being undertakers. 400 of them are water undertakers as well as local authorities.

637. Yes, but they are also interested in getting the supply there, so that that interest is in fact cancelled out by the other interest?—That is true, yes.

638. Since 1918, have you heard of any case where Parliament, when it has been brought before it and the matter has been investigated fully with counsel and witnesses, have decided that 12½ per cent. was excessive?—No.

639. You have, on the other hand, I take it, ascertained that there were cases when it was found to be inadequate. You mentioned 15 per cent.?—I must assume that, because there are cases in which Parliament, as Mr. White has said, has allowed one-sixth, which is 16 per cent.

640. Mr. White suggested that operating costs entered into this matter as well as the question of the rates of interest. I take it you disagree on that?—I do, because the question of operating costs affects the revenue. The test is how much does a main cost to lay? Parliament has laid that down as the basis. There is no word in this clause 32 about the cost of operating the main after it is laid. Parliament has merely said, "When you can lay a main at 10 times the revenue "—that is the effect of it —" you must lay it." Parliament has never taken into consideration the working costs or anything of that kind. The working costs are reflected in the price charged for the supply.

Mr. *James Griffiths.*

641. In the price charged for water? —Yes. The price will go up, and therefore that is to the benefit of the company.

Lord *Darcy de Knayth.*

642. You say we are back now to the interest rates materially of 1847. Would you like to prophesy that they will be that in six months time?—No. That is why I say, do not stereotype the 12½ per cent. but leave the matter for decision when the time arrives. For example, under this clause, I should prophesy that three-fourths of the undertakers will not become subject to it for at least five years.

Mr. *Edwards.*

643. You are telling the Committee, I understand, that operating costs are entirely irrelevant to this proposition?—Yes, because they are reflected in the price which the Company receives.

644. Could we hear the other side on that?—(Mr. *White.*) May I be permitted to say that when a consumer pays a company its water bill, or the amount of his guarantee under this clause, that is the money with which the water company has to pay its working expenses and its interest charges. There is no getting away from that fact. I should also like to say that as soon as a water company puts down a main, the first person to come along and increase the water company's expense is the local authority by assessing the main.

Mr. *James Griffiths.*

645. May I ask the representative of the Rural District Councils Association, this. Are you definitely of opinion that if this is raised from 10 to 12½ per cent., it will injure or damage the possibilities of getting water supplies in rural areas? —(Mr. *McIntyre.*) In our opinion it will.

646. That is very definite?—Yes.

647. Have you represented that to the Ministry?—Yes, from time to time.

Lord *Darcy de Knayth.*

648. Do you know how many undertakings the 10 per cent. applies to to-day?—No.

649. May I put it in another way? Do you know what percentage of undertaking have not been to Parliament in the last 20 years?—No, I could not say that.

650. Would it be a large or small number?—I should not like to say.

Mr. *Edwards.*

651. Would you suppose that the vast majority are satisfied to work on the 10 per cent.?—Apparently.

5° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. Charles L. des Forges, Mr. J. K. Swales, M.Inst.C.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. A. B. Winser, Mr. T. E. Pryce-Tannatt, Mr. J. F. Haseldine, Mr. A. W. White, Mr. John J. McIntyre, Mr. R. H. Tolerton, C.B., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, and Mr. C. H. Whitelegge. [*Continued.*

Lord *Darcy de Knayth.*

652. My experience from sitting on these Committees is that there are violent attacks made on the water company that it has succeeded in keeping away for 18 years. I think there was a case in which Mr. White gave evidence—I forget which side he was on?—The Sidmouth case, you have in mind?

Lord *Darcy de Knayth.*] Yes, that is right.

Mr. *Edwards.*] It seems to me, as far as I can gather from what has been said, that any hardships are provided for. They can get special consideration and there seems to be no point in legislating for the whole people to receive 12½ per cent. if 10 per cent. is adequate and provision is made for the hardship cases to get the 12½ per cent. or even 15 per cent. It would be bad legislation I think to fix a higher percentage.

Lord *Faringdon.*] It seems to me that equally there is a point of public policy involved. It seems to me to be essential as a matter of public policy to do everything we can to get water to rural areas. If anything would help that I think we ought to lend all our weight to do it. Personally, I should like to put it lower than 10 per cent.

Mr. *Levy.*] I should like to say that it shall be 10 per cent. and no more, and having regard to the fact that application can be made in hardship cases, there is no reason at all why the statutory figure should not be 10 per cent.

Lord *Darcy de Knayth.*] We have had no evidence to support the 10 per cent. and in all cases where evidence has been called on the matter, the Committees have decided on 12½ per cent. You are settling here the general level, and every company which would have gone and got 12½ per cent., will in future get 10 per cent., because unless it can show something extraordinary, unlike some of the others, it cannot claim to be a hardship case.

Mr. *James Griffiths.*] We have evidence from the Rural District Councils Association, for example, and the rural areas are very much in our minds in these days, and we are very concerned about them. They may have to house an enormous population shortly. We know that this Bill cannot help that, but everybody is now realising that we have neglected the water supply in our rural districts, which may be a very serious matter to this country in the next few months. I think in view of the definite views of the Rural District Councils Association and in view of the fact that it causes no hardship to anyone, because they can get a higher rate if they prove hardship, as a matter of public policy the rate should be kept where it is.

Lord *Faringdon.*] Also, it is a matter of general experience that where a figure of this sort is fixed as a maximum, it tends to become a minimum.

Mr. *Edwards.*] Is there not the further fact that we have accepted already the general proposition that we shall not act as an amending Committee, that we shall not amend legislation, generally speaking.

Lord *Darcy de Knayth.*] May I suggest in reply to that, that this Schedule is supposed to incorporate the modern practice which is accepted as a matter of course?

Mr. *Edwards.*] The law stands at 10 per cent. and we are changing it and putting in 12½. We are amending and we have no grounds for doing that, I think, unless there is a real hardship proved.

Lord *Darcy de Knayth.*] I was only mentioning, as regards these societies that have put forward this suggestion, that they have not produced a single figure in support of any of their contentions.

Chairman.

653. Have the Ministry of Health anything further to say? Have you any objection to the 10 per cent.?—(Mr. *Armer.*) No.

Chairman.] Is it the wish of the Committee that on page 41, line 15, we leave out "one-eighth" and insert "one-tenth."

(*The same is agreed to.*)

(Mr. *Haseldine.*) I think Mr. Swallow's amendment was that it

should be 10 per cent. or such other figure as the Ministry may prescribe. When he spoke first on this matter, and he got up when I was prepared to address your Lordships, I stood down and gave way to him. The motion, as I understood it, that he put to your Lordship, was, that it should be 10 per cent, or such other figure as the Minister might prescribe. That would be acceptable to the water undertakers. (Mr. *Hill.*) May I say that where the Minister applies this Schedule by an Order, he of course, under the terms of Section 19 can apply this with modifications. When Parliament applies this Schedule to an undertaking, Parliament can apply it with modifications, so that it is unnecessary to say " one-tenth or such other rate as may be prescribed," because it goes without saying that the person applying this Schedule, whether Parliament or the Minister, can vary the figure.

654. I think that meets your point, really?—(Mr. *Haseldine.*) Yes.

(*Clause 32 of First Schedule, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 33 OF FIRST SCHEDULE.

Chairman.

655. We will pass on to Clause 33. The amendment on page 41, line 35, is at the end to insert the words printed on the amendment sheet: " In this section the expression ' trunk main ' means a main constructed for the purpose of conveying water from a source of supply to a filter or reservoir or from one filter or reservoir to another filter or reservoir or for the purpose of conveying water in bulk from one part of the limits of supply to another part of those limits or for the purpose of giving a supply of water in bulk to other undertakers "?—(Mr. *Hill.*) This subsection says that although you can demand as of right to have water where there is a main passing down your street, say, that does not apply where the main in question is a trunk main, and this is an attempt—I do not know whether it is satisfactory to the water authorities—to define what is meant by a trunk main as distinguished from what, I suppose you would call, a service main. We say a trunk main is one for conveying water from a distance, from one reservoir to another, or for conveying water in bulk from one part of the district to another, or for giving a supply in bulk to somebody quite at a distance.

656. Is that acceptable? Mr. des Forges, I think it was your point?—(Mr. *des Forges.*) Yes, I am not objecting to this amendment. I have a point on the clause itself.

657. This is to try and meet you as to trunk mains?—My Association accept that.

658. That is all right, they accept it? (Mr. *Swift.*) My Association did put forward one point which is on their printed representations on this Bill. They thought perhaps this presented a convenient opportunity for giving legislative effect to the proposal made by the County Councils Asssociation on several previous occasions in regard to the supply of water to local authorities from long distance mains passing through their areas. Perhaps you may not think this is a convenient opportunity?—(Mr. *des Forges.*) I have a point on Clause 33. My point is one of principle, and it is one that my Association are very concerned about. By mistake it was not raised in their memorandum. The point is that if you turn to this clause in the Bill and then look at line 41, page 41, you will see there the words " without prejudice to their civil liability, if any ". My Association desire me to point out that that is entirely new law. That it is not contained in the Waterworks Clauses Act, and although the Central Advisory Committee in their Report do state that new clauses based on special act provisions provide that breaches of the law shall be punishable by fines, persons who sustain damage may seek redress in the civil courts. I have asked the agents for my Association to investigate that statement, and I am told that we have no precedent for any such words being inserted in a Bill of this description. The position is this,

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

as I understand it. Where you have a penalty in an Act of Parliament, and nothing else, then if a person is aggrieved by failure of the undertaker to carry out the duties imposed upon him by the statute, he has his remedy by taking it to the Court and obtaining the penalty, but he has not his remedy to-day by seeking to impose on you, in addition to the penalty, damages. If you are negligent in the carrying out of you duties as a water undertaker, then the water undertaker is not saved, by the fact that these words are not in, from being liable for damages. In that connection I would cite the recent Croydon case of which we are all well aware. Notwithstanding the fact that in water legislation there were no words such as have been incorporated into this Act: " Without prejudice to their civil liability ", the Corporation of Croydon were found liable for damages for what had been a negligent act. I do not know whether I should weary you by referring to the judgment in that case, but it is quite clear from the judgment in that case that his Lordship who dealt with it had no doubt that notwithstanding the position of the law as it then was, the common liability of a person to answer for damages as the result of his negligence was there and is there to-day. As this is an entirely new principle and as you said yesterday, that this Bill was to consolidate and bring into effect legislation as it exists to-day, and not to introduce new principles into it, my Association do ask that if this question is to be dealt with, it should be dealt with at a future date when the implications of these words may be better considered by my Association and those responsible for water undertakings in this country. For those reasons I ask for the Clause to be so amended.

659. It is much the same point as was raised on Clause 13—the question of penalties?—No, my Lord.

660. It is the same thing, is it not?—No.

661. There was a fine of £5 and a further fine not exceeding forty shillings. It is the point of introducing a fine. That it what you are objecting to, is it not?—On Clause 13 the position was this, if you will remember, that in that clause the local authorities were liable to be brought before the court and fined, and in addition to that——

662. Yes, but you are objecting to the penalty?—In that I was, but in this I am not.

Mr. *Edwards.*

663. It is exactly the reverse?—Yes.

Chairman.

664. I am very sorry. That is what I want to get clear?—The undertaker is liable to pay compensation for damage in the clause you refer to, Clause 13, but in this clause which, if you accept my amendment, is only following present legislation, you are asked to do something new in legislation of this sort. I ask it very strongly only to bring into effect now existing law, and leave it to the future to consider whether it is necessary so to amend the law as to put in these words as to which many people, my advisers, are doubtful as to what their real intention is. (Mr. *Hill.*) I am not quite sure which of Mr. des Forges' many clients he is speaking for when he asks you to cut out the words " without prejudice to their civil liability, if any." I should have thought the meaning of the words is perfectly clear that if the man is liable to damages as the Croydon Corporation were held to be, the mere fact that he is fined £5 by a court of summary jurisdiction will not relieve him from that liability. That is the meaning of the words. (Mr. *des Forges.*) Then there is no value in them, according to Mr. Hill's statement. (Mr. *Hill.*) They make the point perfectly clear, that if he would have been liable as the Croydon Corporation were held to be, he would not be able to say " Oh, I must not pay damages, because the magistrates have fined me £5." That is the only point.

Lord *Darcy de Knayth.*

665. Mr. Hill, is there not this point? Is not the ordinary rule that where a statute creates an offence and gives a remedy, that is the only remedy?—That

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

was usually held to be so, but the Croydon Corporation case seems to have thrown some doubt upon that. That is all I can say. (Mr. *des Forges.*) If I may respectfully say so, as I understand it, it is this, that while your Lordship's statement of the law is perfectly accurate, it still does not save the undertaker who is guilty of negligence. That is the whole difference. What I say is that if the undertaker has done some wrong under the statute—it is not a question of negligence, but he has done something contrary to the statute—the statute itself provides the penalties that he shall pay for doing it, but there is no reason why in addition to that penalty he should be mulcted in damages for something of that nature. If he is negligent, then make him pay damages.

666. Yes, and does not the insertion of these words seem to negative the suggestion that the penalty is the only remedy?—It does, certainly.

667. So that it materially affects the construction of the clause?—Undoubtedly. It is a most serious point. (Mr. *Hill.*) Your Lordship will remember the words "if any." They merely mean that if on the doctrine of the Croydon case he is liable because negligence has been proved against him—if for that reason he would be liable for damages, the penalty does not relieve him of that liability.

668. You will remember the case where a fire cock froze in Liverpool, which is the leading case on it. I think it was Lord Cairn's judgment?—I cannot say at this moment.

669. If that clause had been altered as it stands here, would it not have altered the position in that case. Would not they have had to pay for half Liverpool being burnt?—On what I understand to be the decision in the Croydon case, if negligence were proved against them, they probably would have been liable in damages, but not if negligence was not proved.

670. Under the construction of this clause, supposing there is no negligence here?—Then I take it there will be no civil liability and therefore the words would be inoperative.

671. May I put it another way? Can you see any advantage in those words being included?—I think they may remove a great element of doubt in cases similar to the Croydon case, where negligence is proved.

672. I think the people who appear for the waterworks companies are rather agreeing with that and are saying that it will remove a doubt by imposing a liability on them?—(Mr. *des Forges.*) That is my point. Our point is that it makes us liable to damages, even if we have only defaulted in our statutory liability without anything else. As I say, this is entirely new, and why it should be thrust on water authorities under the Bill, my Association do not understand.

Chairman.

673. Just to get clarity, would you mind giving me the exact amendment, because it has not been handed in. I think I have it, but I should like to have it clear?—It is this: strike out "without prejudice to their civil liability, if any."

674. Quite: page 41, line 41, after "shall "——?— . . . "be liable."

675. Strike out all the words "to the person aggrieved "?—Yes. (Mr. *Hill.*) Mr. des Forges is inviting you to go back to the original law, I take it.

676. Yes?—May I point out to him what that is: to every one of the owners and occupiers concerned, who may be many thousands in Liverpool, he shall forfeit the whole amount of the water rate due from them and 40s. per day.

Mr. *James Griffiths.*

677. Is that agreed?—(Mr. *des Forges.*) Would you excuse me, my Lord, I have to go. (Mr. *Swallow.*) I think I can refer to electricity legislation which may help on this point. Exactly the same question arises, that of default in supply of electricity. My recollection is very clear that Section 38, I think it is, of the Electric Lighting Clauses Act, 1899—comparatively modern legislation—contains no qualifying words of this kind and that the courts have decided that where a penalty

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

is prescribed in that way, so much to each person (we do not mind that) then a claim for damages is excluded altogether, and I do ask on behalf of the Urban District Councils' Association that those words should be omitted here, even if it means restoration of the old law as to the liability of the water undertakers to every individual consumer who has suffered by reason of the default.

Chairman.] Are there any other points?

Mr. *Medlicott.*

678. Would it meet the points if we inserted the words "for negligence," so as to read "without prejudice to their civil liability for negligence, if any "?—(Mr. *Hill.*) As a draftsman, I do not mind really which goes in. If I may say so, I think it might be a slight improvement. I think it is rather odd to go back to the existing law and give a penalty to every occupier in a large town who is aggrived by some act.

679. I understand that would meet the needs of the other people, would it not?—(Mr. *Swallow.*) It would. (Mr. *Marshall.*) On a supplemental point, should you decide the matter by leaving the words in, with or without that last addition, I would like to draw Mr. Hill's attention to a minor point which may arise on a proviso over the page. If you look over the page you will see: "Provided that the undertakers shall be under no such liability" in certain circumstances. I feel sure that the draftsman meant that to refer to the liability to the fine and not to the civil liability which was referred to incidentally later. (Mr. *Hill.*) I think it is the civil liability we limited the liability to. For negligence it would be quite clear that the proviso could not apply; but I will look into that. (Captain *Ellen.*) May I point out the complete inadequacy of this penalty if civil liability is to be completely excluded. Your Lordship is aware, no doubt, that under the Factories Act, 1937, it is the duty of the factory occupier to provide for the persons employed by him an adequate supply of wholesome drinking water. In the majority of cases, such a supply can be obtained only from the mains of the water undertaker. If the factory occupier fails to give such a supply he is under a penalty; he is liable to a fine not exceeding £20 and if he repeats the offence after conviction £100, with a continuing penalty of £5 a day. If it is due to the failure of the public supply, the only remedy against the local undertaker is that he is to be fined £5 and 40s. per day. It seems that that penalty is out of all proportion to the factory occupiers' penalty for the offence I have mentioned.

Chairman.] I think the point that we have to decide is whether the civil liability and the penal fine should exist together. That is the whole thing, is it not?

Mr. *Levy.*] I am of the opinion that it ought to stand as printed.

Lord *Faringdon.*] So am I.

Chairman.] I think it is agreed that the amendment should not be accepted: that the clause should stand.

Mr. *Edwards.*] Have we met the point of the Federation of British Industries?

Mr. *James Griffiths.*] Yes, we are keeping the clause as it is.

Mr. *Edwards.*

680. Is your point met by that, Captain Ellen?—Yes.

Mr. *Medlicott.*] Are we to include the words "civil liability for negligence, if any," or is it to stand as it is?

Chairman.] Might we leave it to the Ministry of Health to draft that?

Mr. *Edwards.*] I thought it was to stand as printed.

Chairman.

681. All right; to stand as printed.

(*The same is agreed to.*)

(Mr. *Pritchard.*) On Clause 33, the proviso at the top of page 42, the amendment which my Association ask is to insert on page 42, line 4, after the word "repairs," "or alterations." The proviso provides that the undertakers shall not be under liability to furnish or maintain a supply of water during,

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

amongst other things, the execution of necessary repairs. It may be necessary to make alterations.

682. After " repairs " insert " or alterations," on page 42, line 4: what do you say about that, Mr. Armer?—(Mr. *Armer.*) The Ministry have no objection.

Chairman.] Will the Committee allow that?

(*The amendment is agreed to.*)

Witness (Mr. *Hill.*) After " repairs " insert " or alterations "?

Chairman.

683. Yes?—That same phrase occurs several times in the Bill: " frost, drought, unavoidable accident or other unavoidable cause, or the execution of necessary repairs." May we have authority to insert without a further decision the words " or alterations " wherever the words occur?

684. Would that suit you?—(Mr. *Pritchard.*) If you please.

685. I think the Committee would agree to that. It is merely a drafting point?—(Mr. *Hill.*) It is merely to get it on the Note, to save time each time we come to it.

(*The same is agreed to.*)

(*Clause 33 of First Schedule, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 34 OF FIRST SCHEDULE.

Chairman.

686. Clause 34, page 42, line 12, leave out sub-section (2)?—(Mr. *Hill.*) Sub-section (2) of Clause 34, which we are proposing to leave out here, says in effect that where the undertakers are going to execute works likely to interfere with the supply of water, they shall give notice to consumers. The clause, as it stands, is in a Part of the Bill which deals with domestic supplies, and it seemed to us quite clear that not only are householders concerned, but of course industrialists are concerned, therefore we are proposing to leave it out here and we shall eventually come to it in slightly different language in the general Part of the Bill where it cannot be said to be limited by the context to domestic supplies.

Chairman.] It is merely a drafting point. Is that agreed? (*Agreed.*) Clause 34 stand part.

(*Clause 34 of First Schedule, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 35 OF FIRST SCHEDULE.

Chairman.

687. Clause 35?—(Mr. *Swift.*) I have a point on Clause 35, that it should be made clear that the provision in sub-section (5) of Section 2 of the Fire Brigades Act, 1938, requiring seven days' notice to be given to the authority or person by whom a street is maintained before any fire hydrant is placed in it, is not superseded by this Article. (Mr. *Hill.*) One dislikes all these notices from one responsible authority to another responsible authority. Here is a case where the fire authority, who are themselves some sort of local authority, ask the undertakers to put down hydrants. I should have thought where the request came from a responsible authority, formal notice to them of what was going to be done was perhaps unnecessary. I do not wish to press it, but that is the way it strikes me. (Mr. *Swift.*) The fire authority are not the highway authority and they have nothing to do with the maintenance of the highway. If the hydrant is to be put in the carriageway or on the path I think the highway authority ought to be given notice. (Mr. *Hill.*) It presupposes such a lack of co-ordination between local authorities that this should be necessary, but if the Committee think it ought to be done—— (Mr. *Swift.*) It is in the 1938 Act dealing with the Fire Brigades, which was only recently passed by Parliament.

688. I think we might leave this. It is a very small point indeed. It is really a drafting point?—(Mr. *Hill.*) We have met all the substantial points, as we see it, of the highway authorities.

(*Clause 35 of First Schedule is agreed to, subject to further revision.*)

(*Clauses 36 and 37 of First Schedule are agreed to, subject to further revision.*)

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

ON CLAUSE 38 OF FIRST SCHEDULE.

Chairman.

689. Clause 38?—(Mr. *Seager Berry.*) I have a small point on Clause 38, an amendment on behalf of the Sunderland and South Shields Water Company. (*Amendment is handed in.*)

690. Clause 38, Page 42, Line 41, after the first " and " insert " thereafter at the expense of such owner or occupier "?—The amendment is purely to put it beyond doubt that the maintenance and renewal of the fire hydrant will be carried out at the discretion of the undertaker, but at the expense of the owner or occupier. That is the purpose of the amendment. The Company felt some doubt having regard to the words " at the request " which appear in line 38 as to whether that was abundantly clear. Will Mr. Hill be willing to discuss that with us? (Mr. *Hill.*) I would like to leave it to the individual Members of the Committee to say whether there can be any doubt as to the present meaning of these words, having regard to the fact that the word " shall " is not repeated. " The undertakers shall, at the request and expense of the owner . . . fix on the pipe and keep in good order ".

Chairman.] I think it is clear enough. I think you have your point, Mr. Berry.

(*Clause 38 of First Schedule is agreed to, subject to further revision.*)

ON CLAUSE 39 OF FIRST SCHEDULE.

Chairman.

691. Clause 39?—(Mr. *Hill.*) There is a spelling correction. That is all we have.

Chairman.] Leave out " fire " and insert " fires "; that is drafting.

(*The amendment is agreed to.*)

Witness.] (Mr. *Seager Berry.*) We have an amendment on behalf of the Sunderland and South Shields Water Company. The effect of the first amendment is, Clause 39, page 43, line 4, after " water ", insert " from fire hydrants fixed in pursuance of Section 35 or Section 38 hereof ". The purpose of that amendment is to make it clear that it only applies to the fire hydrants that are referred to in the two sections mentioned and that it will not apply to fire hydrants that may be private fire hydrants. That is the purpose of that one. (Mr. *Hill.*) This, I take it, will enable them to make a charge to a man who allowed a chain of people to carry buckets from a tap in his scullery to put out a fire next door. (Mr. *Seager Berry.*) As I understand the existing law, under the Fire Brigades Act, a charge can be made except where the water is taken from a fire hydrant in the street. (Mr. *Hill.*) I would be content to leave it to the Committee immediately to say whether any charge should ever be made for water taken for extinguishing a fire.

Mr. *Levy.*] There is only one answer.

Chairman.] I think we cannot accept this amendment.

(*The amendment is not agreed to.*)

Chairman.

692. Clause 39, page 43, Mr. Berry. After " payment " insert: " Provided that if any person takes or uses such water for extinguishing fires in heaps of refuse cinders or other waste matter or material he shall make compensation to the undertaker for such water unless such fire has endangered or was likely to endanger the security of life or property other than such matter or material and the amount of such compensation shall in case of difference be determined on the application of the undertaker or such person by a court of summary jurisdiction "?—(Mr. *Seager Berry.*) I thought your Lordship would not be prepared to hear this. The only effect of this proviso is to provide that water used for extinguishing fires in refuse heaps shall be paid for except where there is a danger to life or property. This is a clause which has been inserted in a number of Acts of water undertakers and it simply provides that supposing water is used for extinguishing fires in refuse heaps, etc., where there is no danger to life or property, a payment shall be made. (Mr. *Hill.*) It is quite true that in certain cases where it is appropriate, this clause is given as of right, but what we think about it is that it is only appropriate in the case of

so very few districts that it would be better put in the Special Act or Order, and that the more general clauses should not be cumbered with it. We do not doubt for a moment that in the case of certain districts it is a most proper clause, which Parliament has given readily.

693. You think it is so special that it should be put in the Special Act or Order?—We think it is so rare that that would be the better course. (Mr. *Seager Berry*.) There are a number of undertakers who have this power. I do not know what the attitude of the British Waterworks Association and the Association of Municipal Corporations is to this. (Mr. *Haseldine*.) We considered this at the time with the Ministry and came to the conclusion that it was a Special Act provision and could be applied to any particular undertaking by Special Act.

Mr. *Levy*.

694. Is it necessary for South Shields to have it?—(Mr. *Seager Berry*.) They have it.

695. I said: is it necessary for South Shields to have it?—They were able to satisfy Parliament that it was desirable.

Mr. *James Griffiths*.] That is the test?

(*The amendment is not agreed to.*)

(*Clause 39 of First Schedule, as amended, is agreed to, subject to further revision.*)

Chairman.] Perhaps the Committee would like to clear the room and settle this question of Clause 13 while it is still in our minds.

ON CLAUSE 40 OF FIRST SCHEDULE.

Chairman.

696. Let us take Clauses 40 and 41, and then we shall have finished Part VIII?—(Mr. *Hill*.) Clauses 40 and 41 would finish the Part. The amendment on page 43, line 12, Clause 40, I think, is really correcting an omission, to put in " , highway authority or sewerage authority " after " authority ", because the highway authority are concerned with the cleansing and the sewerage authority with the sewers.

(*The amendment is agreed to.*)

Chairman.] Is it agreed that Clause 40 stand part?

(*Clause 40 of First Schedule, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 41 OF FIRST SCHEDULE.

Chairman.

697. Clause 41, page 43, line 16, leave out " sections thirty-five to thirty-nine of "?—(Mr. *Hill*.) There has been some doubt felt about the meaning of this section and we have slightly arranged it. We have made it clear that the exception of frost, drought, etc. applies to all their defaults under this Part of this Act. It has been asked for and I think it is reasonable.

698. Is that agreed? (*Agreed.*) We leave out " or " in line 17; that is drafting?—It all hangs together.

699. Line 19, leave out from " repairs " to " they " in line 21?—That is all part of the same. All those three are connected.

Chairman.] Is that agreed? (*The Amendments are agreed to.*) That finishes Part VIII.

(*Clause 41 of First Schedule, as amended, is agreed to, subject to further revision.*)

After a short adjournment.

ON CLAUSE 13.

Chairman.] The Committee wish me to say that they have considered Clause 13 on page 18, the point in regard to the penalty, and their decision is that the Bill should stand as it is, that the penalties should be maintained. (*Clause 13 is agreed to subject to further revision.*)

Chairman.

700. Are the Ministry of Transport here?—(Mr. *Armer*.) No, my Lord, we have tried to get them. We have not succeeded yet.

701. You told them what we wanted?—Yes.

Chairman.] They seem to be very elusive. We had finished Clause 41. Now we come to Clause 42.

ON CLAUSE 42 OF FIRST SCHEDULE.

Chairman.

702. The first amendment is on page 43, line 27, leave out the second " in " and insert " on "?—(Mr. *Hill*.) The first amendment is pure drafting.

(*The same is agreed to.*)

Chairman.

703. Then, on page 43, line 29, leave out " constantly laid on " and insert " laid on constantly and "?—(Mr. *Hill*.) That is I think, purely drafting, a question of better English.

(*The same is agreed to.*)

Chairman.

704. Then, on page 43, at line 35, after " gravitation " insert " through their existing mains "?—(Mr. *Hill*.) That is a small insertion suggested by the Waterworks Association. I think it is probably what was intended when the Committee asked for this Bill to be drafted.

(*The same is agreed to.*)

(*Clause 42 of First Schedule, as amended, is agreed to subject to further revision.*)

ON PART X.

Witness (Mr. C. E. C. Browne).] Before you begin to discuss the amendments to the following clauses, I should like, if I may, to make a submission on behalf of the Bradford Corporation. The Committee may remember that I asked yesterday that Clause 19 of the Bill might be amended so as to leave it optional to the undertakers as to which, if any, of the provisions of the First Schedule should be applied to their undertakings. I mentioned particularly the apprehension of my clients in regard to this Part X of the First Schedule of the Bill. The Committee did not see their way to accede to my application. If my application had then been granted, it would not have been necessary for me to trouble the Committee with any observations on this Part of the Bill. My submission is that these provisions in Part X which relate to the automatic transfer of communication pipes and the provisions conseqential thereon (my observations do not apply to the whole of Part X; 45 and 46 are not, I think, affected by what I am saying) should be left out of the Bill.

Chairman.

705. Which clauses do you ask should be left out?—Clauses 43, 44, 47 and, I think, 48, which is in Part XI.

706. You want to omit those clauses?—Yes. The first ground on which I ask that these clauses should be omitted is that they are in principle much the same as Clause 5 of this Bill which your Lordship and the Committee have decided already to omit on the grounds that it is practically new law and not merely consolidation.

707. I do not think we have decided that yet. I dare say you are right, but I do not want to endorse it until I have read the clause?—Anyhow, I submit that these clauses in Part X of the Bill are in the same category as Clause 5, that is to say, they are new law and not merely consolidation of what can be termed common form clauses. The second ground on which I ask for the omission is—particularly in reference to the Bradford Corporation—on account of the circumstances which I mentioned yesterday and of which I will very shortly remind the Committee. The Bradford water undertaking extends to considerable areas beyond the City of Bradford. The Bradford Corporation are at the present time charging their maximum domestic rate and still cannot make both ends meet, and the Bradford City ratepayers—not, of course, the ratepayers of the outside areas—have to bear a deficiency rate of 5d. in the £ to make up the deficiency of the entire water undertaking. It is estimated that if they were obliged to take over the communication pipes throughout the whole of their area of supply, there would be an additional charge upon the undertaking of something between £3,500 and £4,000. That, of course, would merely be adding to an existing deficiency, and that addition to the existing deficiency would be made up exclusively by the ratepayers of Bradford, and by way of subsidy, the Committee will observe, of the outside consumers who are at the present time under the obligation to bear the expense of

maintaining their communication pipes. The communication pipes would have to be taken over by the Corporation in however defective a condition they might be, and there might be a very large charge immediately for putting the communication pipes into proper repair. The whole of that charge would have to be borne by the ratepayers of Bradford in relief of the consumers of water in the outside area of the Corporation's limits of supply. I submit that would be a very inequitable position so far as the citizens of Bradford are concerned. The clause might operate quite fairly and properly in the case of a small undertaking which is confined to one local area. There there would be no complications of that kind, and the ratepayers and consumers would be one body and the highway authority would be one body. But in this case the position would be that the Bradford Corporation would become entitled to break up the streets outside their city and within the area of other authorities for the purpose of repairing communication pipes. I think that is the position. I should perhaps make this further observation, that the original precedent on which these clauses are founded is the Metropolitan Water Board Act, 1932 (or some date like that) where the Board deliberately refrained from taking over the whole of so much of the service pipe as would under this Bill be transferred to the water undertakers. Under this Bill the portion of pipe to be transferred is not confined in all cases to that part which is in the public highway. If there is a stop cock inside the premises of the consumer, that will operate right up to that stop cock. That in itself introduces complications, because it would be the duty of the undertakers to repair that part of the supply pipe, and they would necessarily have to get access to private premises for that purpose. That would no doubt in some cases give rise to complications. For these reasons I do hope your Lordships will not allow these clauses to remain in the Schedule, because I am at the risk under Clause 19 of the Bill of having that clause forced upon me against my will. I venture to suggest that if a canvas were taken of all water undertakers who might be affected by these clauses—it is only a guess and I am entitled to speak only for the one client I am representing here to-day—probably the majority of water undertakers would say "What is the advantage of this to us?" It means enormous additional expense, and it is really no advantage to the water undertaker concerned. I do not know whether the Ministry of Health have had applications from any considerable number of water undertakers to include these clauses, but I do suggest that they do not represent consolidation of what can in any proper sense be called common form clauses. I therefore ask your Lordships to delete from the Schedule of the Bill those clauses I have named.

708. You really want Part X taken out?—I do not mind Clauses 45 and 46.

709. We will ask Mr. Hill to be good enough to answer that?—(Mr. *Hill.*) Mr. Armer will deal with the question of policy, but may I draw your attention to two things. First of all, under Clause 19 of the Bill as approved by the Committee, even if this Clause of the Schedule is approved, it cannot be forced upon any water undertakers without their consent until at least five years have elapsed, and then it can only be put upon them if Parliament, after listening to their objections, thinks their objections are not well founded. The second point is this: I understand—and on this Sir Frederick Liddell of course can give you the best information—that these clauses are rapidly becoming common form clauses and that they appear in several of the Bills before Parliament this year. (Mr. *Swallow.*) I think it would be convenient if I addressed your Lordships now, because I am putting forward an amendment which you will find on page 6 of Document 10 which has an effect directly contrary to that proposed by Mr. Browne. It is headed "Parts X and XI" on page 6. It reads "the provisions of these parts of the Schedule"—and I am now addressing myself to Parts X and XI—

5° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. Charles L. des Forges, Mr. J. K. Swales, M.Inst.C.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. A. B. Winser, Mr. T. E. Pryce-Tannatt, Mr. J. F. Haseldine, Mr. A. W. White, Mr. John J. McIntyre, Mr. R. H. Tolerton, C.B., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, and Mr. C. H. Whitelegge. [*Continued.*

" of the Bill should come into operation within a few months of the passing of the Act." The rest I will deal with later. This code of legislation results from the Second Report of the Legislation Sub-Committee of the Advisory Committee on Water issued in 1929. That Committee comprised representatives of water undertakers, local authorities, government departments and so on. It expressly recommended—after referring to the difficulties which arise by reason of the divided responsibility for these pipes—that the obligations for repairing them, as distinct from the original laying of them, should be transferred to the water undertakers. The words are these: "The Sub-Committee are convinced that the general policy which should be adopted is this: (1) that the right to break up the highway should vest solely in the undertakers; (2) that the obligation to provide and maintain such pipes in or under the highway should fall upon the undertakers; (3) that the expenses involved in their provision and maintenance should be defrayed by the undertakers themselves and should not be directly recoverable from the consumer." I was wrong in saying that they recommended that the cost of laying should be borne by the consumer. They recommended the cost of laying and maintaining, but Parliament in later private Bills in which this matter was dealt with distinguished between the two operations and said "the cost of the original laying of the service pipes should rest with the consumer but the subsequent obligation should rest with the water company." Since that date, 1929, the Metropolitan Water Board, the South Essex Waterworks Company, the South Staffordshire Waterworks Company, the Barnet and District Gas and Water Company, the Rickmansworth Water Company, the Bristol Waterworks Company, and the Colne Valley and West Surrey Companies have all promoted Bills voluntarily to take over the responsibility which Parts X and XI of the Bill put upon them. All those Bills except the last three have received Royal Assent and the Bristol and Colne Valley and West Surrey Bills are in Parliament this session and no question, as I understand it, is being raised on these provisions. The next point is that in the present Session there is a Private Members Bill which was introduced into the House of Commons containing substantially the code which you find in Parts X and XI of the Bill.

710. Is that the Water Supply Bill?—Yes. That Bill came up in the House of Commons for second reading on the 3rd March and received the second reading without a division.

711. What stage is it in now in the House of Commons?—It is now awaiting consideration in the House of Commons.

712. In Committee?—It has passed through Committee. I am coming to that. It passed through Committee.

713. It is going through?—It passed through Committee on the 8th June.

714. You say that in that Bill these clauses are introduced?—They are introduced and they provide for their operation as from the 30th September, 1939.

715. Without the five years' notice?—Without any notice whatever, and a general obligation——

716. I think we had better get this straight, because I understand—I am not giving evidence—that the Ministry of Health see no objection to the Water Supply Bill?—(Mr. *Armer.*) I would rather put it like this. We have taken a neutral attitude on that Bill. It is not through the House of Commons yet.

Chairman.] If you take a neutral attitude, it is probable that the Bill will go through.

Mr. *James Griffiths.*] You are not objecting to it?

Chairman.

717. So far as you are concerned you have no objection to seeing this Bill go through. How do you reconcile it with these proposals? We had better get this straight, Mr. Swallow, please, because we do not quite understand it?—(Mr. *Swallow.*) I am going to explain the position.

718. Let us get it from the Ministry of Health?—(Mr. *Armer.*) That Bill has been introduced in the House of

Commons. It has been through Committee but there are objections to it. It is not through the House of Commons yet.

719. I know it is not, but you have this point, that the clauses are substantially the same in both Bills but, as Mr. Swallow has just pointed out, the Water Supply Bill in the House of Commons makes these clauses, or clauses analogous to them, operative on 14th September?—(Mr. *Swallow.*) Yes.

720. Here this is something different. What do you propose to do? You cannot have two Bills passed in the same Session doing different things about the same thing?—(Mr. *Armer.*) If the other Bill passes we should alter this Bill to comply with it. It has not passed yet.

Mr. *Levy.*

721. Is it not true to say that the only objector to that Bill is my colleague, Sir Francis Fremantle. He has now agreed to withdraw that objection, and in that way it will go through in the same way as Probate Bills do go through without any further discussion? —I gather it failed to go through last night.

Chairman.

722. I think we might assume that it is going through?—(Mr. *Hill.*) I think your Lordship may be wrong in assuming that from what I have heard today. I was certainly told that other persons besides Sir Francis Fremantle have objected to the Bill and had not yet at any rate withdrawn their objection. (Mr. *Pritchard.*) I understand that members of my Association are objecting to the Bill, certain individual members, and maintain their objection.

723. Never mind, let us suppose it is going through. Then I understand that if the Water Supply Bill goes through, you are going to adopt these clauses in this Bill?

Major *Mills.*] May I explain what happened. It came up at 11 o'clock, and then there were one or two objections raised and it therefore fell to the ground. It was not a chorus of objections but there were, in one or two quarters, objections and therefore it had to stop. (Mr. *Swallow.*) Unfortunately, I am not so optimistic about this Bill. The trouble is that it is a Private Members Bill, and unless the Government provide facilities for the consideration stage, it will not get any further so long as these objections are persisted in. I am assuming therefore that the Private Members Bill will not go through, but I am still urging that an agreement which has been reached between the promoter of that Bill and the British Waterworks Association should be considered by your Lordships and applied in this Bill. It will not take me a minute to develop that point.

724. If it is relevant—we do not know what it is yet—you tell us?—On second reading of the Bill—I want to mention this briefly—the promoter said that although this obligation had only been assumed by statute in the few cases I mentioned—about half-a-dozen—no less than 113 water undertakers in the country had voluntarily assumed the liability, and he said that these include——

725. That is all the liabilities under Part X?—All the liabilities that Part X means to impose upon them, they have voluntarily assumed by arrangement with the consumers.

726. You said " the liability "?—The promoter said that of those 113 undertakers 92 are local authorities and 21 are companies. Now a word about Mr. Armer's statement as to his neutrality. It is quite true that that was the attitude taken by the Minister of Health on the second reading of the Bill but the Parliamentary Secretary said this. I am reading from Volume 344 of Hansard, No. 57, column 1685: " I understand that at the moment the majority of the water undertakers are in substantial agreement with the principle of the Bill, but that there is some difference of opinion whether it is desirable that its provisions should become operative at once. On the other hand, it is thought that the provisions may impose a heavy burden on the undertakers, and that to them shall be given an opportunity of reviewing the circumstances of the

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

undertaking and amending, if necessary, the rates of charges where that is proved to be necessary before the responsibility is undertaken. On the other hand it is argued that the additional expense would be negligible when spread over the whole undertaking, and it would be better in the interests of all concerned if the undertakers were made exclusively responsible for the work as soon as the Bill becomes law. The latter view is, I think, nearer the mark and more in accordance with the facts but my department does not seek to decide the matter." That merely meant that the Ministry are of opinion that the question of additional expense is trifling and the obligation should be at once imposed on everybody, but naturally, as this was a Private Members' Bill, the matter was left to the vote of the House. As I said, the Bill came before Standing Committee B of the House of Commons on 8th June and an amendment to postpone the operation of this Bill was moved, discussed and withdrawn. Then the opposition which has been mentioned showed itself and negotiations took place between the promoters of that Bill and the British Waterworks Association, which led to the agreement which has already been mentioned, and there are on the Order Paper of the House of Commons amendments providing two or three things. The first is that instead of the 30th September, 1939, the Bill should come into operation in April 1940—6 months later; that any particular undertaker should be entitled to apply to the Minister of Health for an Order postponing the operation in the case of that particular undertaking.

Chairman.

727. That is going to be moved into the Bill?—That is going to be moved on consideration stage if an opportunity is provided for that being done, but as your Lordship knows these Private Members Bills come up——

728. I am only assuming that the Bill goes on. If it is not going through there is no more to be said?—If it is not going through I am still asking your Committee to confirm the settlement which has been reached with the British Waterworks Association representing all or nearly all the water undertakers, and to provide that these clauses shall come into operation at an early date with a power to delay the operation on application to the Minister of Health.

729. That is the text of the Water Supply Bill, or will be?—It is one of the amendments. There is one further point. The last amendment is to add a new clause to that Bill providing that any undertaker may apply to the Minister of Health for an Order increasing the water charges so as to recoup the undertaker for the extra expense, if any, which the obligations imposed by the Bill would cast upon him. I ask that these should be transferred to the body of the Bill with those amendments.

730. Mr. Hill, we know what the point is. What have you to say?—(Mr. *Hill.*) First of all I would say that this is going to make the consequential amendments extraordinarily difficult. I do not know whether it can be done. I have heard doubts expressed in this room as to whether it is practicable, but possibly it is practicable. Apart from that I would put it this way. There is a strong body of opinion which says that these clauses are very good clauses, the latest modern clauses on the point. There is also another strong body of opinion——

Chairman.

731. Are these standard clauses?—(Mr. *C. E. C. Browne.*) There are only five actual precedents.

732. That is what I wanted to know? (Mr. *Hill.*) As I was saying, there is a strong body of opinion which says that these are excellent clauses and are becoming the modern precedent. There is also a strong body of opinion which says that there are grave objections to these clauses. The line we have taken is, I think, a compromise. We assume that these clauses will grow in favour during the next three or four years and we have left it to all the undertakers to ask for an Order to give them those clauses whenever they desire to have them. That we think is a reasonable compromise between the two views.

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

With regard to the Water Supply Bill, of course, if that Bill does pass through both Houses of Parliament and become law, it would then over-rule this Act, and it would be unnecessary to put anything in this Act——

733. Then you would have to modify this Bill?—No. If we pass this and the House pass a subsequent Act, the subsequent Act prevails.

734. But will it be a subsequent Act. You do not know which will win the race. It might take some time?—If that Bill becomes law before this, then we shall have to do something, or Parliament will have to do something.

Mr. *Levy*.

735. That Bill is substantially the same as this, and if we pass this now, the other Bill would be redundant, and therefore, I think, the promoters in the circumstances would be wise to drop it, and probably they would, because they would have got all they desired in this Act?—In the face of the opposition which has been voiced from a place like Bradford, I should not think the prospect of that Bill passing this Session was so very great. It may be so. I would ask the Committee to leave this, because on the wording of this Act any undertakers, the day after these clauses are passed, can apply for an Order to the Minister to have them applied to their particular town, and those undertakers who feel they want a little time to revise their rates and charges can wait a year or even two years and then apply for them. That is the position as it seems to me. (Mr. *Pritchard*.) On behalf of the Association of Municipal Corporations, may I say that we should strongly object to the proposal which has been put forward by the Urban District Councils Association. If I may briefly summarise them, we should object for three reasons. In the first place, under the decision of the Committee on Clause 19, any provision in the First Schedule to the Bill will be brought into operation either by being incorporated in a Private Bill or else by an Order which, if opposed, is to be provisional only—that is to say, the undertakers are to be given the opportunity of coming to Parliament and submitting any particular circumstances that they may have. In the second place, this is new law. This is not in any way consolidation of existing law, except in respect of about five undertakers or six undertakers in the country. So drastic an alteration of the law, we submit, should be dealt with in the same way as the other provisions in the First Schedule, and should be brought into operation only by means of an Act or Order. In the third place, this part of the Bill will cause a certain amount of alteration in the existing practice and may involve considerable financial alterations. The water undertakers, who are municipalities for whom I speak, during recent months have been very fully occupied on the express instructions of the Lord Privy Seal on matters of civil defence, and are likely to be occupied for some little time to come; and in order to give them time to consider this matter, we do ask that this should remain in the First Schedule and come into operation when brought into operation by an Act or Order, and not be automatically brought into operation before we have time to consider what the effect would be. (Mr. *C. E. C. Browne*.) May I be allowed to reply to some of the observations which have been made? In the first place, it would appear that both my friend, Mr. Swallow, and my friend Mr. Pritchard, like the old god Janus, have two faces—they represent authorities who are water undertakers and authorities who are not. I am not quite sure in what capacity Mr. Swallow suggests that this clause should be made automatically operative, it being in effect transferred to the body of the Bill from the Schedule. I am told that I must be bound by an agreement which has apparently been entered into by a very eminent body known as the British Waterworks Association—a body of which I am not a member; I was not consulted in regard to that agreement, and I submit that I ought not to be bound by any arrangement into which they may have entered. Mr. Swallow does not put his case higher—and nobody could put his case higher—than to say that the majority, if it is a majority,

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

are in favour of these clauses. I ask the Committee to have some respect for the interest of the minority, and I do submit that I have made out a very hard case for Bradford to have these clauses forced upon them, and I therefore hope that the Committee will take the view expressed by Mr. Hill that at any rate it should be left to be dealt with by adoption by the Order made under Clause 19. I did hope that Mr. Hill would have gone further and would say that at least having regard to the nature of these clauses there would be no attempt by the Minister to force them upon an undertaker not willing to accept them. I hope that is the position as regards all the Parts of this Schedule, but particularly with regard to these Parts. With regard to the communication pipe which is proposed to be taken over, there is something to be said for controlling it; but on the other hand, the communication pipe is the private concern of the individual consumer. You may have one consumer with a length of three feet of communication pipe, and another with 30 feet, 40 feet or 50 feet. Why should the man whose premises necessitate so long a communication pipe as that be relieved of the burden at the expense of the body of consumers generally? I hope the Committee, if they cannot see their way to taking these clauses out of the Schedule, will at any rate leave them optional to the undertakers to adopt or not, as they think fit. So far as the Water Supply Bill is concerned, of course, that is not being discussed here. If it unfortunately does go through, I am bound by its provisions. All I can say is that the members representing the Bradford Corporation will do what they can to see that it does not go through. (Mr. *McIntyre*.) On behalf of the Rural District Councils Association, I desire to support the argument of Mr. Swallow, who has spoken on behalf of the Urban District Councils Association. (Mr. *C. E. C. Browne*.) As a water undertaker?—(Mr. *McIntyre*.) Yes, as a water undertaker.

(*The Committee room is cleared, and after a short time the Parties are again called in*.)

Chairman.

736. The Committee have considered the matter, and they have decided to adopt the clauses in principle—of course, we shall go through them now to deal with the amendments—with the proviso suggested by Mr. Hill?—(Mr. *Hill*.) I do not think I suggested a proviso. My suggestion was that if they were adopted as they stood, they would automatically become applicable only to people who asked for them.

737. You say it is not necessary to have that?—No.

Chairman.] We thought it was necessary to have some addition to them.

Mr. *Levy*.

738. I was under the impression that it would be the other way round, that if these clauses were adopted, then any objections could be raised, and if good cause were shown for the objections then, of course, the objections would be allowed?—Certainly.

739. But they would have to object and show good cause why these clauses were injurious to them?—That is so. That is the result of Clause 19.

Chairman.] That is all we want.

Major *Mills*.

740. Is that for five years only or indefinitely?—During the first five years the Minister cannot, except on the application of the undertakers concerned, take any steps at all to bring them into force. After the five years he can initiate proposals, but if they are objected to, Parliament will have to ratify them.

Chairman.

741. The initiative is transferred after the first five years to the other side. That is what it comes to That being the case, I think we will take them clause by clause. The first amendment is on page 44, line 24, after " bye-laws " insert " or regulations "?—(Mr. *Hill*.) It was pointed out to us that certain of these undertakers—in fact, many of them—will have in force regulations under the existing code which will be preserved for shortish periods ranging up

to ten years, and therefore the word " bye-laws " should have added to it " or regulations " in two places.

Chairman.] Is that agreed?

(*The same is agreed to.*)

742. The next one is the same, is it not?—Yes.

Chairman.] The amendment is, on page 44, line 26, after " bye-laws " insert " or regulations."

(*The same is agreed to.*)

Chairman.

743. The next amendment is on page 44, line 31, at end add " In this Section, the expression ' regulations ' means regulations made under an Act other than this Act and continued in force by Part XIII of this Schedule "?—(Mr. *Hill.*) That is put in to make it quite clear that the reference to regulations is not giving an uncontrolled power to make such regulations as they think fit, but refers only to the existing regulations continued in force for a limited time by a subsequent clause.

Chairman.] Is that amendment agreed to?

(*The same is agreed to.*)

(*Clause 43 of First Schedule, as amended, is agreed to, subject to further revision.*)

On Clause 44 of First Schedule.

Chairman.

744. There are two amendments on this Clause?—(Mr. *Hill.*) There are two small amendments asked for by the Waterworks Association. I think they regard " branch main " as not a correct technical expression.

Chairman.] The two amendments are on page 44, line 38, leave out " branch " and on page 45, line 10, leave out " branch." Are those agreed to?

(*The same are agreed to.*)

(*Clause 44 of First Schedule, as amended, is agreed to, subject to further revision.*)

On Clause 45 of First Schedule.

Chairman.

745. Mr. Browne drew attention to the fact that this had the recommendation of the Carnock Committee. We should like to hear what you have to say, Mr. Hill, and I should like to draw your attention to page 48 of the Report of the Central Advisory Committee which says " that the Clause is based on provisions now frequently allowed in special Acts."—(Mr. *Hill.*) This simply says that where undertakers have in fact power to supply a house just outside their limits of supply, they may break open the necessary streets just as if the streets were within their own limits. That is all.

746. It is not really a new principle?—It is consequential. If they are to supply outside their limits, they must have the power.

747. You did raise points on this, Mr. Browne?—(Mr. *C. E. C. Browne.*) No, I have no objection at all to this clause. I think it is a very proper one.

(*Clause 45 of First Schedule is agreed to, subject to further revision.*)

On Clause 46 of First Schedule.

Chairman.

748. There is an amendment on page 46, line 25, after " rates " insert " and the supply pipe of those houses is sufficient to meet their requirments "?—(Mr. *Armer.*) This amendment is to meet a suggestion made by the British Waterworks Association, who suggest that an owner of a block of houses who agrees to pay the rates should only be exempt from the requirements of separate communication pipes so long as the supply pipe is big enough for those houses. It really brings that sub-section into line with the next one, sub-section (7).

Chairman.] Is that amendment agreed to?

(*The same is agreed to.*)

(*Clause 46 of First Schedule, as amended, is agreed to, subject to further revision.*)

5° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. Charles L. des Forges, Mr. J. K. Swales, M.Inst.C.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. A. B. Winser, Mr. T. E. Pryce-Tannatt, Mr. J. F. Haseldine, Mr. A. W. White, Mr. John J. McIntyre, Mr. R. H. Tolerton, C.B., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, and Mr. C. H. Whitelegge. [*Continued.*

On Clause 47 of First Schedule.

Chairman.

749. The amendment is, on page 46, line 33, to leave out " alteration "?—(Mr. *Hill.*) I see no objection to leaving out the word " alteration." This amendment was asked for by somebody.

Chairman.] Is that amendment agreed to?

(*The same is agreed to.*)

Witness (Mr. *Seager Berry*).] I have an amendment to Clause 47, on behalf of the Sunderland and South Shields Water Company. The amendment was put round this morning. The amendment is on page 46, line 40, after " pipes " insert " affording a supply of water for domestic purposes." The object of this amendment is to ensure that communication pipes which afford supplies for non-domestic purposes shall not be maintained at the expense of the water undertaker. As I understand it, the purpose of this clause is to prevent anyone except the undertaker breaking up the street. But the Water Company see no reason why the cost of the maintenance of non-domestic communication pipes should be placed upon the water undertaker. This is an entirely new proposal, according to the Second Report of the Central Advisory Water Committee. If your Lordships will look at page 49 of that Report, you will see that the Committee indicate that Clause 47 is new. This is new law which is sought to be imposed by this clause, and it would put a very heavy burden on water undertakers by requiring them to do something which they are not now required to do, namely, to bear the cost of the maintenance of communication pipes which afford a non-domestic supply. The submission of the Water Company is that this is a burden that should continue to be borne by the person to whom the supply is afforded, and that the existing law should remain. This would be effected by the amendment that we have put down.

Mr. *Levy.*

750. Will you tell me how the consumer can maintain his pipe if he is not allowed to open up the street in order to get to it?—Yes, my Lord; this is provided for in the second amendment that we have placed on the paper in sub-section (2), which would enable us to carry out the work, but at the expense of the person to whom the non-domestic supply is afforded.

751. In other words, you will make it compulsory upon yourself to do all the work and charge what you like, and a poor consumer has got to pay, whether he likes it or not, or whether your work is extravagantly done or not?—It is a very frequent thing in waterworks legislation for the undertaker to carry out the work and to be entitled to make a charge (it would have to be a reasonable charge) against the consumer on whose behalf the work is carried out. One of the principal points is that this is an entirely new obligation which you are seeking to impose on water undertakers.

752. Long overdue?—(Mr. *Pritchard.*) On behalf of the Association of Municipal Corporations, may I support the amendment which has been moved on behalf of the Sunderland and South Shields Water Company? As regards the point which the Honourable Member has been good enough to raise on this amendment, the principle would be precisely the same as for the supply pipe where it is under a highway—that the undertakers would carry out the work and they could only recover the reasonable expenses of carrying out the work from the consumer. The fundamental principle of Clause 47, as we understand it, is that the communication pipes are all to vest in the undertakers and be maintainable by them instead of by the consumers. If the communication pipes are all alike, it may be said that that is fair, because the consumers pay through their water rates for the maintenance of the communication pipes of everybody, but when you get to non-domestic communication pipes, they may be much larger and the cost of maintaining them may be very much greater. It may not be fair that the cost of maintaining those communication pipes should be placed on the undertakers, that is to say, spread over the general

body of consumers. For these reasons, we support this amendment.

Mr. *Edwards.*

753. Would it not follow that they would be larger consumers? Would not that compensate them? If they had larger pipes, would not they be larger consumers and would not that compensate all the other people?—The income is not necessarily large; it may in fact be very small. On the actual practice of this, if the Committee would like to hear Mr. Swales, he can explain any particular point of practice. (Mr. *Swales.*) Do you wish to hear me?

Chairman.

754. We will ask Mr. Hill what his views are?—(Mr. *Hill.*) The last speaker, I think, it was, said that the fundamental purpose of Clause 47 was to put something or other. I would say that the fundamental purpose of Part X is to make amendments in the law as and when Parliament thinks fit to apply them to undertakers on their application until the end of five years, and that if any particular authority can show to Parliament on such an application that Clause 47 should not apply to industrial purposes, Parliament no doubt will make a modification in their favour. (Captain *Ellen.*) On behalf of the Federation of British Industries, may I ask you not to accept this amendment? We have no statutory right, as the Bill is going to stand, with Clause 5 withdrawn, to a supply of water. The undertakers can impose upon us any conditions they please, and I do not think that it is quite fair to put it that, although a pipe may be big, the revenue may be small because the revenue is exactly resultant upon the terms that the undertakers have placed upon us. It seems to us a little unfair that we alone of consumers should be obliged to maintain at our own expense our own communication pipes, and that not only should we not be able to do that work ourselves which we might do more cheaply, but we must be dependent upon the undertakers to do it and to pay such charges as they think fit. On the other hand, we as one particular class of consumers have to bear, in the prices we pay, the maintenance costs of the pipes of all other consumers. I think this is rather weighting the scales unduly against one particular class, if I may say so.

755. Are there any further questions? —(Mr. *Winser.*) My Lord, may I add just one observation? Your Lordships' House and the House of Commons have authorised the Colne Valley Water Company in their Bill of this Session to have a very similar set of clauses to the clauses we are now discussing, but one in particular relates to the maintenance of supply pipes under streets, and the wording of it is as follows: "The Company shall carry out any necessary works of maintenance repair renewal and removal of so much of any supply pipe as is laid in a highway and may recover the expenses reasonably incurred by them in so doing from the owner of the premises supplied." The Colne Valley Water Company desires to support the amendment now asked for in order to preserve uniformity with the code which has been passed in their own Bill. (Mr. *Hill.*) I ought to point out that the quotation referred to the supply pipe, and that is exactly the same provision which we have got in sub-section (2) of this Clause. The supply pipe we agree; the supply pipe is to be laid at the expense of the occupier if it is under a highway. "The undertaker shall carry out any such necessary works as aforesaid in the case of so much of any supply pipe as is laid in a highway, and may recover the expenses reasonably incurred by them in so doing." Therefore, that Colne Valley Clause is no argument for what the Committee are being asked to do now.

Chairman.] Are there any other observations? Do the Committee want to ask any further questions?

Lord *Faringdon.*

756. I should like to ask Mr. Swales, if I might, whether, in fact, this extra expense would not be recovered by the price charged to the consumer for his water?—(Mr. *Swales.*) It might, with Clause 5 going out now: we might be able so to regulate a meter agreement to provide for its maintenance.

5° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. Charles L. des Forges, Mr. J. K. Swales, M.Inst.C.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. A. B. Winser, Mr. T. E. Pryce-Tannatt, Mr. J. F. Haseldine, Mr. A. W. White, Mr. John J. McIntyre, Mr. R. H. Tolerton, C.B., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, and Mr. C. H. Whitelegge. [*Continued.*

757. It would be a meter agreement, in any case?—Yes; we anticipate it would be a meter agreement. The particular case I had in my mind, my Lord, is such a case as this: A trade or a factory has a big supply pipe three or four inches in diameter, or even larger. They have a polluted stream coming through their works. They put down water treatment plant, treat that water and use it for their trade purposes. The result is that I have little income coming from that firm; I am saddled with the continuous maintenance of this pipe, and I just get an income from a small supply for a few taps for domestic purposes. Also in many types of factories, the trade that is carried on there is precarious; it varies; it may be possibly a trade that requires a large volume of water for very short periods. There is a large communication pipe put in in order to provide the water for those short periods. The income is very little, because it is only spasmodic—a big supply for a few minutes in the day; that is all. Then those factories change hands, a different class of trade comes in, and I have still that large communication pipe to maintain.

Mr. *Edwards.*

758. Ought not that to be dealt with rather by some undertaking to purchase a certain minimum? Is there any provision of that kind?—That would help.

759. You have not power to do that? —We have power at the present time, because we can supply on such conditions as may be agreed, and we make that a requirement as a rule, that there should be a minimum.

760. If I ask you to put in a six-inch pipe, you have a right to ask me to guarantee a certain minimum, and you can do that at present?—That is very difficult. If the main supply goes and they are taking virtually none year after year, it would not be reasonable for me to maintain the original minimum I put in.

761. That would be an exceptional condition, would it not, if they were not paying anything for year after year? It would be due to trade conditions over which nobody had any control? You are stating an exceptional case there, are you not?—They are not very common, but they are arising almost weekly—these cases where we get a change in the character of the premises supplied and the nature and use of the water and the volume of the water.

Mr. *Levy.*

762. You can supply either by a charge as per assessment or by meter, whichever you think is the greater and most profitable to you?—At the present time, we have to supply, necessarily, being a Corporation, on a scale of charges which applies throughout the district. We do not charge one consumer one figure and another consumer another.

763. I agree, but you have that right? —Yes, but it is impracticable of application, if I may say so. With a Company, I might charge somebody I liked something less and somebody I did not like something more, but with a municipality it has to be a level charge throughout the area.

764. Large premises that use very little water you would usually charge on an assessment basis, but for large premises which use a tremendous lot of water obviously you would choose a meter charge?—If one had to do things that are reasonable. If I could exercise my own discretion, possibly I could legally do it, but we cannot do it in practice. We have to have a standard practice throughout the area of supply. We could not have inquests as to what was the appropriate rate in the case of every individual consumer. I have over 5,000 meter agreements and 5,000 trade supplies. We cannot treat each of those individuals separately or differently from each other.

765. A different tape to measure the local authority and the company?—(Mr. *Haseldine.*) May I clear up the point on this question of the minimum charge?

It is quite a common practice of Parliament to specify a minimum charge, and, speaking for my own Company, which is the Barnet District Gas and Water Company, I have an Act which limits the minimum charge which I can charge on a metered supply to 12s. per quarter, and also that same Act prescribes a maximum rate that I may charge per thousand gallons of water, so I am afraid in my particular case I have no means of recovering from a metered consumer any extra cost to which my undertaking may be put by the fact of his having a large communication pipe.

Chairman.] I do not know whether the Committee have seen any reason to alter the view which they have expressed. The Committee have considered it and I do not think we are able to accept the amendment proposed.

(*The amendment is not agreed to.*)

Chairman.

766. Clause 47, page 47, line 2: after the first " of " insert " so much of any communication pipe affording a supply of water for non-domestic purposes or of ": that is another amendment or is that consequential?—(Mr. *Hill.*) That is consequential; it falls with the other.

(*The amendment is not agreed to.*)

767. The question is that Clause 47 stand part of the Bill?—(Mr. *Pritchard.*) I am sorry; there is another point my Association have raised in connection with this Clause. It is document No. 4 in the file of documents which your Lordships have. At the bottom of page 6, on Clause 47, the point is a very short one: The object of the Clause is to vest in the undertakers both existing and future communication pipes and to make the undertakers responsible for the maintenance, repair and renewal of those communication pipes. As regards any future communication pipes, my Association raise no objection at all, because under the procedure under this Bill they can see that the communication pipes are properly laid down. As regards the existing communication pipes, it may be that some of them are defective whilst others are in a good state of repair, and it seems to my Association rather unfair that a man who has a defective communication pipe should be entitled to hand that over to the undertakers and get it repaired at the expense of the body of the consumers. My Association ask, therefore, that, as regards existing communication pipes, the undertakers shall not be under the obligation to maintain and repair them until the owner or occupier has put them into a proper state of repair if they have been defective.

768. You want them all to start fair?—We want them all to start fair; that is the exact position. (Mr. *Hill.*) I do not know how you do put a pipe into a state of repair. It seems to me this is a sort of unnecessary refinement. Surely, if Parliament is recognising a general principle that communication pipes should go over, they ought to take the good with the bad.

Mr. *Levy.*] I agree.

Mr. *James Griffiths.*] I am afraid we have got to in this world.

Mr. *Levy.*

769. Unless they were opening up the ground, how are you to see that the pipes come up to the standard that you desire?—(Mr. *Pritchard.*) What would happen would be that, when the consumer under this Clause goes to the undertakers and tells them that the communication pipe is defective and requires repair, the undertakers under my proposal will turn round and say: " Well, it was your existing defect, and you are the person who has got to put that right, and not us ".

Mr. *James Griffiths.*

770. How would he know that? How would he prove it?—He would prove that it was a pipe laid down before the coming into operation of the Section. That would be the test—whether it was before or after.

771. How would he prove that—by an assertion?—I do not imagine there would be any difficulty in proving whether a communication pipe had been laid down before or after a particular date. The undertakers could have a record of that.

5° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. Charles L. des Forges, Mr. J. K. Swales, M.Inst.C.E., Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. A. B. Winser, Mr. T. E. Pryce-Tannatt, Mr. J. F. Haseldine, Mr. A. W. White, Mr. John J. McIntyre, Mr. R. H. Tolerton, C.B., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, and Mr. C. H. Whitelegge.

Chairman.] It seems to me a rather cumbrous procedure and rather more trouble than it is worth. I do not think we can admit that amendment.

(*The Amendment is not agreed to.*)

Chairman.] The question is that Clause 47 as amended stand part of the Bill: that is with your amendment about " alteration ".

(*Clause 47 of First Schedule, as amended, is agreed to, subject to further revision.*)

Part XI.—Stopcocks.

On Clause 48, of First Schedule.

Chairman.

772. Now we come to Part XI, Clause 48. On page 47, line 24, after " shall " insert " after consultation with the highway authority concerned "?—(Mr. *Hill.*) This is a small amendment which does seem to us a reasonable one. Of course, a stopcock is necessary, but it may be a little bit of a nuisance in the street, and we think it is reasonable that there should be consultation with the street authority before its position is determined.

773. That is " after consultation with the highway authority concerned "?—That is " after consultation with the highway authority concerned ".

Chairman.] Is that agreed to? (*The amendment is agreed to.*)

Chairman.] The question is that Clause 48 as amended stand part of the Bill?

(*Clause 48 of First Schedule, as amended, is agreed to, subject to further revision.*)

Part XII.—Water Rates and Charges.

On Clause 49 of First Schedule.

Chairman.

774. Now we come to Part XII, Clause 49. On page 47, line 37, leave out " such purposes " and insert " business, trade or manufacturing purposes "?—(Mr. *Hill.*) The first amendment is purely drafting; it is a correction of some slips.

Chairman.] Is the amendment agreed to?

(*The Amendment is agreed to.*)

Chairman.

775. Line 38, leave out from " thereof " to end of line 40 and insert " as may be prescribed or, if no proportion is prescribed, as may be determined by the Minister ". This is a drafting amendment at line 38?—(Mr. *Hill.*) Line 38 is a little more than drafting. It is an amendment asked for by some Association of Authorities who think that the Minister would be a better tribunal for this case than a Court of Summary Jurisdiction.

Chairman.

776. Is the amendment agreed to? The question is that these words " as may be prescribed or, if no proportion is prescribed, as may be determined by the Minister " be here inserted. Are there any observations or questions?—(Captain *Ellen.*) Would you allow me to speak on that? (Mr. *Hill.*) There is some opposition to that amendment. (Captain *Ellen.*) Really, my Lord, this has a great deal further effect, if I may say so, than that which Mr. Hill has mentioned. These clauses are the clauses under which we shall obtain supplies of domestic water for our factories. Those supplies, as your Lordship knows, we are bound to give under the Factories Act, and they must be supplies approved by the local authority as being fit for consumption by our employees. The clauses have given us a good deal of thought, because they impose upon us a very great liability.

777. Have you got an amendment down?—No, my Lord. I have not, because I am resisting an amendment which is proposed by somebody else. Broadly, they work in this way, that, if we want a supply for domestic purposes of drinking water, or something of that kind, we can be supplied by the water undertaker at a water rate. We cannot demand to be supplied by meter, but, if the water undertaker elects to supply us by meter under Clause 52 (4), then he can impose a minimum charge. In either case, whether we are charged a water rate or a minimum charge for a water supply by meter, the figure is the same,

and it is determined under Clause 49: " in the case of premises used solely for business, trade or manufacturing purposes, on such proportion of the net annual value as in default of agreement may be determined by a Court of Summary Jurisdiction ". Those words, to our mind, were the only safeguards we had that there would not be any attempt at uniformity because manifestly the amount of water required in relation to the rateable value of the premises varies enormously. It may be that the only supply required in a factory of 500 employees is for drinking purposes, say 2 pints a day each (125 gallons a day, all told) and for that supply we may have to pay, if this amendment passes, such proportion of the net annual value of our premises as has gone into the special Act, or, if nothing has gone into the special Act (and I submit in every case something will go in—a quarter or something of that kind), as the Minister determines. I should say at the start that we have no objection to the substitution of the Ministry of Health for the Court of Summary Jurisdiction, but what we do resist is the implication that there is to be a uniform proportion for all premises: that in fact the procedure should be such that the Court before whom, in default of agreement, the proportion is to be determined, should have the discretion to take into account the amount of water which will be consumed or is likely to be consumed, and to base the proportion so as to give a reasonable figure on that basis.

778. You have not got an amendment: I do not quite know what you want us to do?—I want the Bill to stand as it is. I am resisting the amendment on the paper. (Mr. *Marshall.*) I think I can assist. I am speaking on behalf of the agricultural and manufacturing interests to reinforce the remarks of Captain Ellen. I think it would shorten matters if I say both he and I have no objection to the change from the Court of Summary Jurisdiction to the Minister. That is not the point. The point is that in the Ministry's amendment it says " as may be prescribed." We suggest that in the circumstances we are dealing with, it is wrong to have a uniform proportion prescribed, and I can supply your Lordship with the amendment for which you were asking: it would be as follows: In lieu of the Ministry's amendment in line 48, leave out the same words as they suggest and insert " as in default of agreement may be determined by the Minister in each case." That would make me quite happy and, I believe, Captain Ellen too.

779. Mr. Hill, what do you think, or what do you think, Mr. Armer?—(Mr. *Armer.*) In a number of local Acts they have prescribed already the proportion (in the case of lock-up shops, for example) of the net annual value which should be taken for this charge purpose, and we thought it right to substitute either Parliament or the Minister (as the case may be) for the Court of Summary Jurisdiction in this Clause. Even if you leave the Minister there by himself, there is nothing to stop a water undertaker going to Parliament and asking them to prescribe. All this does is to say that Parliament may prescribe. (Mr. *Pritchard.*) On behalf of the Association of Municipal Corporations, we support the amendment which the Ministry are moving. We consider that grave difficulties would result if in respect of every particular premises there was a prospect of going before a bench of Magistrates or a different bench of Magistrates, and that there is no reason why a prescription of a proportion should be the same throughout the whole of an area or should be the same for every kind of premises. There is no reason why a scale should not be prescribed and applicable to such premises as are appropriate. We therefore support the amendment of the Ministry and resist the proposals of Mr. Marshall and the Federation of British Industries. (Mr. *Haseldine.*) The British Waterworks Association and the Water Companies Association also wish to support the Ministry's amendments.

Chairman.] The Ministry's amendment will be agreed to by the Committee?

(*The amendment is agreed to.*)

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

Witness.] (Mr. *Hill.*) Page 48, line 2, leave out the first " is." That is purely a grammatical correction. The word " is " got printed twice over.

Chairman.] That is drafting. That will be agreed to.

(*The amendment is agreed to.*)

Chairman.

780. Clause 49 as amended stand part?—(Mr. *Hill.*) May I interpose one thing. Your Lordship asked to see a representative of the Ministry of Transport.

781. Let us finish this first. Clause 49 as amended stand part? — (Mr. *Pritchard.*) On Clause 49 your Lordship will see the Clause prescribes that the water rates for domestic purposes are to be paid on a rate poundage not exceeding the prescribed rate poundage on the net annual value. Certain Members of my Association are very concerned that when this First Schedule is brought into operation in their particular area a flat rate poundage on the net annual value may be prescribed, thereby interfering with what has been their existing practice, which may be on a scale or may differ all over the country.

782. Have you an amendment?—No. What I am asking is this: if we could have an assurance that when the Minister applies this Part to any individual undertaker he will not interfere with the existing practice of charging both as regards this or as regards a sliding scale or as regards the method of charging, that would set at rest the anxieties which the Members of my Association at the moment feel. (Mr. *Armer.*) I can say at once it is not the policy of the Minister to have an absolute flat rate for rate poundage. There will always be scales.

783. Will that satisfy you?—(Mr. *Pritchard.*) It did not quite give the assurance I was asking for. I do not know whether that could be given. (Mr. *Armer.*) I cannot give an assurance.

784. Perhaps this can be discussed on the second round. It is rather a new point. Will you discuss it?—(Mr. *Pritchard.*) If your Lordship pleases. May I ask for two other amendments on this Clause? Your Lordship remembers that in paragraph (*b*) of subsection (1) of the Clause, the Minister has been substituted for the Court of Summary Jurisdiction. My Association ask for a similar amendment of subsection (3), page 48, lines 15 and 16.

785. Will you deal with that on the second round? I think it is obvious?—It is on Clause 49. It is page 48. (Mr. *Hill.*) I do not think for a moment that could be put upon the Minister, the division of a hereditament appearing in the valuation list into two parts and apportioning the value between the two parts. I do not think that could be put on a Government Department?—(Mr. *Pritchard.*) If the Minister will not accept this, we have nothing further to say, but we submit that he would be the more appropriate Tribunal.

(*The amendment is not agreed to.*)

(*Clause 49 of First Schedule, as amended, is agreed to, subject to further revision.*)

ON PART VI OF FIRST SCHEDULE.

Chairman.

786. This morning we asked for the Ministry of Transport to attend and a representative of the Ministry is here to-day. We wanted to ask him about the Breaking Up of Streets Report. Have you considered the Breaking Up of Streets Report. You know about it, do you not?—(Mr. *Tolerton.*) Yes.

787. The Committee decided that they were unable to accept a suggestion that legislation should be introduced into this Bill giving effect to the Breaking Up of Streets by Statutory Undertakers Report. The reason for that is not that they have any reason to differ from the recommendations; indeed, they have not studied them; but there have been objections made to it by certain parties who are present; others have not had time to study them, and in general they are considered new law and this Bill is not primarily a Bill to introduce new law; it is mainly consolidation and slight amendment. But yesterday we obtained

from the Ministry of Health an assurance that in the near future (I hope I am quoting them as right) the Government will introduce a Bill dealing with water comprehensively and bringing in such reforms as may be considered desirable which have been recommended by certain Committees on Water. We want to ask you the same question. The various parties interested are very much concerned in this Breaking Up of Streets Report and its recommendations. Is it the intention of the Minister of Transport to bring in a Bill (I do not say entirely based upon this) which would embody such recommendations of the Joint Committee as might commend themselves to the Government?—My Lord, I think it is too early for me to give a definite answer to that question. The position is this: we received just a week ago a print of the Report. During this past week we have been immobilised in my Department because of the Estimates Debate which is on to-day in another place. As soon as that is cleared we intend to get down immediately to the examination of the recommendations of Lord Carnock's Joint Committee. But I would be rash, my Lord, if I promised that that consideration would necessarily result in the introduction of a Bill at an early stage, because I would remind your Lordships that first of all we must examine it in our own Department from our own particular point of view. Then we must consult with the Minister of Health for water, the Board of Trade for gas and with the Electricity Commissioners. Your Lordship has said that you have received an assurance that something would be done by the Ministry of Health as regards water. One of the recommendations of the Joint Committee is that their recommendations as a whole should be applied to all public utility undertakers who break up streets and whether it will be possible——

788. I am not talking particularly about breaking up of streets, but the whole question of water. That was the point we asked about. They told us they were going to deal with it. We do not want to ask you to give us an opinion on this Report which I do not think you have had time to read?—No.

789. All we want to know is whether, in view of the fact that you are unable as we are unable, to do that now, for the same reasons (at least, that is one of our reasons) you intend to go into this matter and deal with the breaking up of streets, I do not say entirely on those lines?—Most certainly we do, my Lord.

790. I think that is all we can ask you to say?—The Committee will recollect that this Joint Committee was the result of an undertaking given in another place by the Parliamentary Secretary to the Ministry of Transport.

791. Quite, but we have a Bill here which deals with water and brings in this matter. The object is to get the code perfectly straight, but in order that the drastic and far-reaching amendments may be made later, what we want to know is whether the various Departments have contemplated and do seriously contemplate the introduction of Bills to deal with them where necessary, and I gather from you that you can give us that assurance?—I can give you that assurance without hesitation.

(*Clause 50 of First Schedule is agreed to, subject to further revision.*)

ON CLAUSE 51 OF FIRST SCHEDULE.

Chairman.

792. Clause 51?—(Mr. *Winser.*) An amendment was circulated to the Committee yesterday on Clause 51 on behalf of the Colne Valley Water Company. I am asked to say that the Rickmansworth Water Company——(Mr. *Hill.*) Might it be read out because we do not seem to have copies of it.

793. Your amendment is page 48, line 42, leave out " the Minister may determine," and insert " shall be reasonable. Any question as to the reasonableness of such sum shall be determined by the Minister."?—(Mr. *Winser.*) Yes. First of all, like a number of other clauses in this Schedule, this is new law, and is so stated in the Report. (Mr. *Hill.*) I think I can save time. We are quite prepared to accept the insertion of the

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

word " reasonable ": " such reasonable sum as the Minister may determine." (Mr. *Winser.*) That is not quite what we wanted. That is not what the amendment asks for. First of all, I wanted to say that this is a new clause and for the first time in the case of many water undertakers a maximum charge for garden supplies is to be introduced. You will see, my Lord, that the clause provides that where water which the undertakers supply for domestic purposes, and in respect of which they charge a water rate, is used (*inter alia*) for watering a garden, the undertakers may, if a hosepipe or other similar apparatus is used, charge an additional sum not exceeding the prescribed sum, or, if no sum is prescribed, such sum as the Minister may determine. My Lord, in common with the Acts of the majority of water undertakers, there is no prescribed sum for garden purposes in connection with the supply of water; there is certainly none in the Colne Valley Water Companies Acts, and the Colne Valley Water Company have for the past forty years supplied water for garden purposes according to a scale which is based on the size of the garden. They also have entered into agreements with 28,000 of their consumers for giving a supply for garden purposes. Incidentally, the revenue they derive is a matter of £20,000 a year. The Company have a Bill before Parliament this year and it is not expected that they will need to come to Parliament again for some time to come. They have no prescribed sum, and therefore any sum that is prescribed must, according to the clause as framed, be determined by the Minister. My Lord, the apprehensions of the Company, of course, are such that they do not know what the Minister will determine and the Minister may make a determination which would have the effect of upsetting all or some of these 28,000 agreements, so that what we have asked for by way of an amendment is that if no sum is prescribed (as is the case in connection with this Company) it shall be a reasonable sum. We say that the scale of charges we have had in operation——

794. That would be a flat sum, would it not?—It may well be so, according to the wording of this clause. I am not taking the point, although actually we have a sliding scale which works from 10s. 6d. in the case of a small garden, to 52s. 6d. if it is a case of a quarter of an acre.

795. That is a flat rate; you would not have a meter?—It is a fixed rate, but on a slide.

796. On the area?—Yes.

Mr. *Levy.*

797. Are you desirous of amending your own amendment?—Not so far.

798. Because your own amendment, which the Minister is prepared to accept, and which I think the majority of the Committee (I am only speaking for myself) are prepared to accept, seems to me perfectly reasonable; therefore it would save time to accept it, unless you are proposing to say: " We want an amendment in which we will accept the reasonableness of the Minister's decision, yet we will not accept it if we do not consider it reasonable "?—The effect of the amendment that I am suggesting is that the sum is to be a reasonable sum and we shall, of course, suggest that our existing scale is reasonable. Then the amendment goes on to say that any question as to the reasonableness of such sum shall be determined by the Minister, the point being that there is no need for the Minister to do anything in relation to our existing scale of charges unless a question is raised, in which event he will be asked to determine. That is what we are aiming at. We want to be left alone with our existing scale and not to be under this clause which says, as I imagine, that you cannot charge anything unless the Minister has determined it. We say that we want to be left as we are, but if anybody questions that our existing scale is unreasonable, then the Minister can determine. That is the point.

Chairman.

799. I see. It looked at first sight that the Minister should decide whether it is reasonable or not?—No, my Lord, what we are anxious to secure——

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

800. What you want to do is to leave things as they are unless somebody challenges you?—That is right.

801. And then go to the Minister and show that is reasonable, and if he thinks it is not reasonable he fixes a price?—Yes. (Mr. *Hill.*) It is very difficult to deal with the apprehensions of a Company like the Colne Valley Water Company, because they do not seem to understand what is the effect of Clause 19. Clause 51 does not apply to them at present and never can apply to them until they get either an Order or a local Act, and in either that Order or the local Act they can ask to have inserted anything they like in addition to, or in substitution for, these words, and if Parliament in the case of an Act or the Minister in the case of an Order thinks they are asking for a reasonable thing, he can give it to them. (Mr. *Winser.*) It is perfectly true, but this amendment was asked for before the Committee's decision allowing an Order by the Minister under Clause 19 of the Bill to be provisional if objected to. The apprehensions of the Company are, to that extent reduced, because they do know that they can have some say in the matter if the Minister determines against their will. It does not really affect the apprehensions of the Company in desiring that they should be left alone without any positive act on the part of the Minister.

Lord *Teynham.*

802. All you are asking for is an extra provision in this amendment?—No, my Lord, I should say this is just a modification of one of the clauses in the Schedule which relieves the Minister of doing anything unless somebody raises a question. It seems to me that there is still substance in this amendment, notwithstanding the safeguard which was decided by the Committee yesterday.

Chairman.] I think the principle is all right. I should have thought they had really got it. One does not want to add too much. I think the Committee would probably agree that the principle of the thing is quite all right?

(*The same is agreed to.*)

Chairman.

803. If there is really an additional safeguard, I think perhaps you might try and persuade Mr. Hill and Mr. Armer that there really is, but we do not want to overload the Bill with extra clauses. We are quite ready to consider it on our second round?—I have nothing further to add. (Mr. *Hill.*) What is the principle exactly that the Committee is settling that is to guide our negotiations?

Mr. *James Griffiths.*] That the Minister must be reasonable.

Chairman.

804. I think what Mr. Winser wants is that people like him who have a sliding scale of their own would not be interfered with unless they are challenged. I think that is all?—They cannot be interfered with until either Parliament or the Minister applies this Schedule to them and then they can raise their point.

805. The Colne Valley people really have got all they need have, but if there is any point outstanding we should like to see it put perfectly straight. I have no doubt you two will find a way?—With respect, there is no point outstanding. They cannot be affected until Parliament passes an Act or the Minister makes an Order and on either of those occasions they can raise this point.

Chairman.] We are not challenging that, but if there is a small point, perhaps you will settle it between yourselves.

Mr. *Edwards.*

806. Are you not satisfied that this could not operate against those thousands of consumers without your having an opportunity of raising the point with the Minister?—(Mr. *Winser.*) That is perfectly true, especially since that amendment was made yesterday, but the Minister under this clause would be the determining factor. All I am suggesting by the amendment is that he need not do anything unless somebody says our scale is unreasonable.

807. He will not do that unless there is a case for it?—I am afraid he has to do something as the clause is drafted.

808. In that case there is an important point?—That is exactly what I thought.

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

The Minister has no option. He has to do something and I suggest he should not do anything until he is asked to.

Major *Mills.*

809. You want to continue your negotiations in future cases as you have done in the past?—Yes, I want to be left alone with my scale of charges. As the Bill is drafted the Minister has got to do something, whether he wants to or not.

(*Clause 51 is agreed to, subject to further revision.*)

ON CLAUSE 52 OF FIRST SCHEDULE.

Chairman.

810. Shall we pass on to Clause 52 of First Schedule?—(Mr. *Mansfield.*) I would like to speak on Clause 52. Before I start I would like to point out we have heard so many Government officials, Government boards, water undertaking boards, and particularly on the last one or two clauses, you heard one water undertaking say: "I do not think we will be able to stand the extra burden that this . . ."

Lord *Teynham.*

811. I do not think we know who this gentleman represents?—My name is Mansfield. I am representing myself with regard to hotels and my Association, which has not yet been able to form a case.

Chairman.

812. This is the letter I had?—Yes. Before I go on, I would like to point out to you that you have heard on many occasions during your sitting here from these different gentlemen that this Council or that Council only met once a month; therefore they want notice of this and notice of that and by the time it goes backwards and forwards time is delayed. What I am trying to arrive at is this: with regard to this Bill which you are sitting on now, the trade outside (not only my trade, I might say, but the majority of trades under Clause 52) know nothing about that. You are sitting here and it is only by a coincidence that I myself knew you were sitting here. My own Member of Parliament thought that this was a Private Bill. He said, "You had better go down to the House of Commons and see the Clerk of Private Bills." I went down: I showed him the draft.

813. Have you got an amendment?—No, my Lord. But I want to arrive at a point (I will take my own point later); I do want to get these things over first, that is, that trade associations have had no chance to come forward on this at all, because they are not large enough or strong enough to have representatives on Parliamentary Boards and Committees, and even our own local Chamber of Commerce to which I have applied, said that they are taking the matter up, but they have got to take it up with the National Chamber of Trade, but all these things take time.

814. What do you want to do? You say, "I suggest, that Clause 52 should be drastically amended"?—Yes.

815. Have you got your amendments?—Yes.

816. Have you discussed this matter with the Ministry of Health?—I have not been able to discuss it with anybody, nor has my trade; nobody has had time to do anything.

817. I do not know that we can do anything very much to-day, then?—I can bring the point forward. I have heard several of these undertakers say that you are discussing new points or new law and here is one——(Mr. *Powell.*) May I raise a point on this, because the Hotels and Restaurants Association deals with the same matter which this gentleman is talking about.

Chairman.] It is now four o'clock. This is going to be rather protracted, and apparently the various points have not been quite digested by everybody concerned. Do you think as it is four o'clock we might break off now and you gentlemen might get together and see the Ministry of Health?

Mr. *Edwards.*] Let us have briefly the essential point.

Chairman.

818. Let Mr. Mansfield finish. You can raise your point later Mr. Powell?—(Mr. *Mansfield.*) The essential point is that you have down here that in future all private hotels and boarding houses

5° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. CHARLES L. DES FORGES, Mr. J. K. SWALES, M.Inst.C.E., Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. A. B. WINSER, Mr. T. E. PRYCE-TANNATT, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. JOHN J. MCINTYRE, Mr. R. H. TOLERTON, C.B., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, and Mr. C. H. WHITELEGGE. [*Continued.*

(I represent a private hotel) will have to pay full rateable value with the addition of a meter and to take water at a trade rate. (Mr. *Hill.*) That is a mistake. If they are charged by meter they will not pay the water rate as well. That is a misunderstanding. (Mr. *Mansfield.*) It distinctly tells us here it will be split into four quarterly amounts for the purpose for which water for domestic purposes is furnished to the premises, so therefore we have got to pay a rateable value; we have got to have a meter in and in the case of seaside places which I have tried to point out to you, that means to say that for nine months out of the year the man and his wife are sitting in there paying full water rateable value for that house and they have got a meter in and using hardly any water at all; yet the next two months of the year, when they are hoping to get the rent to pay all their rates for the whole year, they have got to pay an excess on any water they use.

Mr. *Levy.*

819. You wrote a letter which I received, and I replied to that letter and my reply to you was that you would be charged either by the meter or by an assessment as an alternative, but not both, and you apparently are under a misapprehension that you are going to be charged both ways?—According to the reading of this. (Mr. *Hill.*) I understand the misapprehension because a meter charge always has a minimum charge.

820. Agreed?—And the minimum in this case is fixed at a minimum quarterly charge of one-fourth of what would be the water rate.

821. Yes?—That is how the misapprehension, if there is one, arises, no doubt. (Mr. *Mansfield.*) That is quite right; that is exactly what I am saying. They charge rateable value and in spite of the rateable value which they are paying they have to have a meter and for nine months out of the year they are paying the full rateable value.

Major *Mills.*] If Mr. Mansfield had the advantage of conferring with the Ministry of Health he could probably get all his doubts resolved.

Mr. *James Griffiths.*

822. Will you meet the Minister of Health?—(Mr. *Hill.*) There are others representing similar interests and I would prefer to see them both together.

Chairman.

823. See them both together. We want to make our arrangements for next time. What day would be suitable for our next meeting? I am afraid I could not come to-morrow personally. Tuesday, the 11th July, at 11 o'clock will be best. We are now on Clause 52 and we have done altogether about half the Schedule. We ought perhaps to finish the Schedule?—Will your Lordship say you will sit to finish the first round?

824. Yes, we are on Clause 52. We shall ask you and those two gentlemen who raised the points to consider if possibly you will be able to solve the problem. There are 103 Clauses in the Schedule and we have done about half. We ought to try, if we can, to finish the Schedule in the morning and begin our second reading in the afternoon?—I am afraid the second reading would be hopeless for Tuesday. The amount to be done in between would be prohibitive.

825. Tuesday is the 11th July, and if you cannot get the Bill through this Committee next week, I do not see how you are going to get your Bill?—We will try, but there are limits to what is possible in the draftsman's office. I cannot give any promise. I will do the best I can.

826. Anyhow, we will finish the first round of the Schedule on Tuesday?—To get the amendments printed and in your Lordships' hands by Tuesday means they must be virtually settled by Friday night, that is, the day after to-morrow.

827. We must do our best?—We will do our best to get at any rate some of them, but I should be loth to promise that they will all be done.

Chairman.] I am only trying to help you to get your Bill.

(*The parties are directed to withdraw.*)

Ordered: *That this Committee be adjourned till Tuesday next at* 11 *o'clock.*

DIE MARTIS, 11° JULII, 1939.

Members present:

Earl of Onslow.	Mr. Edwards.
Viscount Bridport.	Sir Francis Fremantle.
Lord Teynham.	Mr. Levy.
Lord Derwent.	Mr. Medlicott.
Lord Faringdon.	Major Mills.
Lord Kenilworth.	

The EARL OF ONSLOW in the Chair.

Sir FREDERICK LIDDELL, K.C.B., K.C. (Counsel to Mr. Speaker), attends the Committee.

Mr. G. R. HILL, C.B. (Parliamentary Counsel Office); Mr. I. F. ARMER, M.C. (Ministry of Health); Mr. C. B. MARSHALL (Parliamentary Agent) (Central Landowners' Association); Mr. G. N. C. SWIFT and Mr. HARRIS (W. B. Keen and Company) (County Councils' Association); Mr. C. E. C. BROWNE (Parliamentary Agent) (Metropolitan Water Board and Bradford Corporation); Mr. H. E. SWALLOW (Parliamentary Agent) (Urban District Councils' Association); Mr. HUGH WENTWORTH PRITCHARD (Parliamentary Agent), Mr. J. K. SWALES, M.Inst.C.E. (General Manager and Engineer of the Sheffield Corporation Waterworks), and Mr. ARTHUR COLLINS (Financial Adviser to local authorities) (Association of Municipal Corporations); Captain C. W. ELLEN (Federation of British Industries); Mr. J. F. HASELDINE and Mr. A. W. WHITE (British Waterworks Association and Water Companies Association); Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C. (Principal Assistant Secretary, Ministry of Transport); Mr. G. MANSFIELD; Mr. C. C. POWELL (Parliamentary Agent) (The Society of West End Managers); Mr. C. C. POWELL (Parliamentary Agent) and Mr. PERCIVAL M. SELBY (The Theatrical Managers' Association); Mr. C. C. POWELL (Parliamentary Agent) and Mr. H. S. TOWNEND (Hotels and Restaurants' Association of Great Britain); Mr. ROY SNELL (Residential Hotels Association of Great Britain); Mr. LESLIE KNOPP (Cinematograph Exhibitors' Association, and Entertainments Protection Association); Mr. PATRICK HOWLING (National Chamber of Trade); Mr. LEONARD R. N. PERCEY (Licensed Victuallers Defence League); Mr. HARRY KENNARD and Mr. G. F. FRY (The Association of Water Softener Manufacturers Limited); Mr. R. G. DOYLE (The National Association of Water Users Limited); Mr. T. T. BLYTH (Parliamentary Agent) (The Central Committee on Camping Legislation) are called in and examined as follows:—

Chairman.

828. Perhaps we might go into the question of what our plans are going to be. We have not finished yet by any means, and this is a very busy time of the Session and, with the permission of the Committee, I want to ask Mr. Hill what his ideas are. I do not suppose you think it would be possible to get this Bill through Parliament this Session?—(*Mr. Hill.*) Does your Lordship mean by 4th August or by the end of the Session, whenever the end of the Session may be?

829. That is the whole point: When is the end of the Session? If it is only a day or so before the opening of Parliament, as it usually is, I do not see how we can do it?—May I put it this way, that although there are about four pages of amendments left, I think the Committee have completely broken the back of them with one exception. There is one point which is obviously a substantial point.

830. We need not go into it now but there is one substantial point?—Yes. When that is disposed of, I think, myself, that the Committee will finish the first round of the Bill probably by 3 o'clock this afternoon, and our supplementary amendments—there are no new amendments; they are all to implement promises—which have all been circulated, I should hope might easily go through in an hour.

831. Let us get on with it and see what we can do this morning, and then we can make our plans. Where did we get to last time? We had got to Clause 52, had we not?—Yes. That was the question as to hotels and boarding houses and, I think, other owners of premises. We were on Sub-section (4) of Clause 52—the minimum charge.

On Clause 52 of First Schedule.

Mr. *Powell.*] On behalf of the Hotels and Restaurants Association and the Theatrical Managers' Association, I have a point to make on Sub-section (4) of Clause 52. Sub-section (4) proposes that in addition to charging the premises set out in (2) (*b*) by way of meter, there shall also be a "minimum quarterly charge of one-fourth of the annual amount which would be payable by way of water rate for a supply of water for domestic purposes furnished to the premises in question." The Associations for which I am speaking realise that such a provision as this does exist already in certain local Acts——

Chairman.

832. One minute. If you look at Question 824 in the Minutes of Evidence you will see I say to Mr. Hill: "We shall ask you and those two gentlemen who raised the point to consider if possibly you will be able to solve the problem." What happened on that?—(Mr. *Armer.*) We had a long conference yesterday, but we failed to come to any agreement. (Mr. *Powell.*) These Associations appreciate that there is a provision such as this in certain local Acts, but they find as the result of inquiry that it has operated very hardly now so far as seasonal businesses are concerned.

Sir *Francis Fremantle.*

833. May I ask what the Associations are? I did not catch it?—The Associations are The Hotels and Restaurants Association and the Theatrical Managers' Association.

Chairman.

834. Have you an amendment?—Yes. We circulated the one at the end of our additional Memorandum and there is a revised draft which we prepared yesterday.

835. Page 49, Clause 52, line 36, at the end insert "or to such minimum quarterly charge (if less) as may be necessary to provide that the charge for that quarter together with the charges for the three preceding quarters shall produce a sum not less than the said annual amount." Is that your amendment? Do the Ministry of Health accept the amendment?—(Mr. *Armer.*) No. This is the whole point in dispute. (Mr. *Powell.*) The Associations feel that if this clause is to be passed by your Committee as one suitable for general application they——

836. Do you represent those two other interests that we heard last time?—There was one gentleman who, I understand, has a small hotel in Willesden and he is only representing himself. I am not speaking for him.

837. You are not representing the other two interests?—(Mr. *Snell.*) I appear for the Residential Hotels Association of Great Britain. (Mr. *Percey.*) I appear for the Licensed Victuallers Defence League. (Mr. *Powell.*) The Associations hope that if you are passing this clause you will either delete Sub-section (4) altogether or else add to it some safeguard which will protect these businesses which are the subject of seasonal fluctuations. We have circulated figures to your Committee and there is one case in particular that illustrates what I wish to say, and that is the case of an hotel in Folkestone. In the case of that hotel, in 1938 they were charged solely by meter. In the first quarter their bill came to approximately £2; in the second quarter when they were open for Easter and Whitsuntide their bill came to approximately £50. In the summer quarter when they were full and open the whole time their bill came to £132, and in the last quarter of the year when they were closed more or less, their bill came to £2 again, which gave them a total bill for the year of £185 which, I understand, they think is fair for the year as a whole. In the current year they have gone on to this new system as envisaged by Sub-section (4) of Clause 52, and so for the first quarter of the year they have been charged this minimum charge of one-fourth of the annual water rate which works out in their case at £45 10s., when they consumed practically no water at all, and in the next two quarters it may be assumed that they will pay more than that by meter, and in the next quarter of the year they will be charged the minimum £45 again, which will make their bill up to £272 instead of £185. The Hotels and Restaurants Association think that a clause working in that way is very unfair in the case of seasonal hotels of that kind, because they think it means that the hotels get the worst of both worlds. They all realise that water undertakings are faced with a problem in assessing seasonal resorts of that kind, but they do not think that the minimum charge should be as excessive as it is under this particular sub-section. They therefore suggest that the sub-section should be altered in the terms of the amendment which we have submitted. The Secretary of the Hotels and Restaurants Association is here and he would like to add a few words.

838. What is this "said annual amount"?—That is the annual amount stated in the sub-section now—"the annual amount which would be payable by way of water rate for a supply of water for domestic purposes."

839. What did you say?—That is the annual amount referred to in the sub-section as it is now drafted—"the annual amount which would be payable by way of water rate for a supply of water for domestic purposes."

Mr. *Edwards.*

840. Did I understand you to say that already this is operating in the case of this particular hotel?—Yes, it does already operate in some places in the country.

841. How is that?—That is under a local Act.

Mr. *Levy.*

842. This is supposed to be a kind of two-part system?—So I understand and, in our opinion, of a very unfair kind.

843. True, but it is a two-part system. You know the two-part system that is in operation with regard to gas and electricity?—Not in great detail.

11° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. Harris, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. J. K. Swales, M.Inst.C.E., Mr. Arthur Collins, Captain C. W. Ellen, Mr. J. F. Haseldine, Mr. A. W. White, Mr. R. H. Tolerton, C.B.E., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, Mr. Percival M. Selby, Mr. H. S. Townend, Mr. Roy Snell, Mr. Leslie Knopp, Mr. Patrick Howling, Mr. Leonard R. N. Percey, Mr. Harry Kennard, Mr. G. F. Fry, Mr. R. G. Doyle, and Mr. T. T. Blyth. [*Continued.*

844. Perhaps somebody else does?—(Mr. *C. E. C. Browne.*) May I ask that the proposed amendment be read out. Some of us on this side of the table do not know what is being talked about.

Chairman.

845. Will you read it out very slowly and loudly so that everybody can hear?—(Mr. *Powell.*) Clause 52, page 49, line 36, at end insert "or to such minimum quarterly charge (if less) as may be necessary to provide that the charge for that quarter together with the charges for the three preceding quarters shall produce a sum not less than the said annual amount."

846. Do you support that amendment?—(Mr. *Townend.*) I am the General Secretary of the Hotels and Restaurants Association of Great Britain.

846A. Do you support it?—Yes.

847. Do you, Mr. Snell?—(Mr. *Snell.*) Yes. (Mr. *Percey.*) I support the amendment too. (Mr. *Marshall.*) May I draw the Committee's attention to the fact that owing to the words "in any of the cases mentioned in this section" at the commencement of Sub-section (4), the case mentioned in Sub-section (3) is also relevant "Where water supplied to a farmhouse is used for farming purposes as well as for domestic purposes, the undertakers may require that the water used for farming purposes shall be taken by meter."

848. Shall we take that afterwards. It does not really come on to the hotels and boarding houses?—This particular amendment—this is all I am anxious to get in—is not one which will absolutely fit my case, and I should have some suggestion to make.

849. Shall we hear the Ministry of Health first?—(Mr. *Armer.*) I should like you to hear the British Waterworks Association first, if you will? (Mr. *Pritchard.*) Before you give your decision will you hear me on this?

850. Do you support the amendment or not?—I oppose it.

Chairman.] We should like to hear the Ministry of Health and see what

their reasons are first. I think it would be more convenient to hear the Ministry of Health first.

Major *Mills.*] Could not we hear the case for the amendment in a little more detail first?

Chairman.] I thought they all supported it?

Major *Mills.*] They want to add something.

Chairman.

851. Have you something to add?—(Mr. *Snell.*) I represent the Residential Hotels Association which has something like 3,000 to 4,000 members mainly unlicensed, both large and small, and if my friends here speak for nearly all the cream of the hotel industry, I speak for nearly all the skim. The great majority of our members would be catering for between 30 and 50 people. We have members in Scarborough and in Margate, where they are shut up nearly all the year, and there are members on the south coast who have a holiday season. They have to be open for patches on demand at Easter and Christmas, and there are members in Newquay, and in places like Ilfracombe, where they have to do all their business between the second week in July and the third week in September. I was Chairman of this body for five years and I am an hotel keeper myself, both in London and outside London, and I can speak with personal knowledge of the actual practices prevailing. I know several hundreds of these people personally. As soon as you mention the word "meter" to a hotel keeper he inevitably thinks of gas and electricity as parallel industries, which one of your Committee has already mentioned, but I think that the great differences in their two-part tariffs—and this has been our experience and we have had occasion to negotiate with Electricity and Gas undertakings—is that they do not thrust nor enforce the two-part tariff or this method on their consumers in seaside towns. I myself am interested in one hotel where we shut the hotel up from the last week in September till the first week in next June. We, naturally, would not take a two-part tariff for gas or electricity, nor does the local company thrust it on us. We have the choice. I would like to stress that in nearly all of these cases when there are negotiations going on for gas or electricity, they are in reference to an annual basis and not quarterly. The strict enforcement of this quarterly basis, particularly where the high season varies—it is not always at the same time of the year—would be a very considerable hardship to a considerable number of our very small members. If I may give you one small concrete case which would be quite typical, under the assessment method, this place paid four quarterly amounts of £8 each—£32 a year. About eight years ago it went on to meter and then paid about £40 a year. We do not complain about that; you are paying for what you have which is perhaps, after all, more accurate, but it is by the year. The effect of this quarterly basis clause on that sort of hotel, where nearly all the volume of water is used in the third quarter of the year, means that they will pay in that third quarter £40 plus three times their eight for the other three quarters, that is to say they will pay £64 instead of something like £40 for an annual water rate. That is more than 50 per cent. increase. There are hotels with the water entirely turned off for eight or nine months in the year. For those reasons I would very strongly like to support the amendment that has just been put before your Lordships, and commend to you the equity of an annual basis instead of the hardships of the quarterly basis, and, after all, the hotel industry's main business is providing healthy holidays for the same people, whose *raison d'etre* is the existence of the Ministry of Health, which I think would be a benevolent Ministry of Health if it accepted our amendment in this case. (Mr. *Townend.*) I am the General Secretary of the Hotels and Restaurants Association of Great Britain. I should like to support this amendment. In the hotels of this country they pay for their water supplies by two methods. Some pay by meter and some on a rateable value. In the case of those who pay

11° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. Harris, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. J. K. Swales, M.Inst.C.E., Mr. Arthur Collins, Captain C. W. Ellen, Mr. J. F. Haseldine, Mr. A. W. White, Mr. R. H. Tolerton, C.B.E., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, Mr. Percival M. Selby, Mr. H. S. Townend, Mr. Roy Snell, Mr. Leslie Knopp, Mr. Patrick Howling, Mr. Leonard R. N. Percey, Mr. Harry Kennard, Mr. G. F. Fry, Mr. R. G. Doyle, and Mr. T. T. Blyth. [*Continued.*

by meter, during the busy season they pay heavy charges, and during the slack season they get the benefit of a low meter reading. Those who pay on rateable value pay the same amount each quarter of the year. Under Sub-section (4) of Clause 52 the water undertakers will get both ends of the bargain. Not only will they gain during the busy season when the meter reading is high, but also they will impose upon the hotels a very high minimum charge, based on a quarter of the charge based on a rateable value. In the case of electricity and gas supplies, which were mentioned, it is a voluntary two-part tariff; the consumer obtains an option. Under this Clause the consumer has no option whatsoever.

Mr. *Levy.*

852. Assuming that the two-part tariff on gas and electricity instead of being optional were compulsory, how would that react. Would you consider it equitable or inequitable?—Not equitable.

853. You would consider it inequitable?—Yes. (Mr. *Selby.*) I am the President of the Theatrical Managers' Association representing the provincial theatres of the Kingdom. We view with great alarm the wording of this particular clause. We desire in every way to support the amendment as now put forward. I would like to mention that in the case of theatres they are very heavily rated premises and, therefore, when it comes to the question of an annual charge for a supply of water to a building like a theatre, it is an extremely heavy annual charge. We have no particular objection to that because we realise that the water undertakers in arranging for their commitments for the year are naturally basing their rateable calculations upon the rateable value. We have to pay in proportion. Where a theatre is supplied by meter we are, again, perfectly content because in some cases theatres consume quite a quantity of water owing to the requirements of the municipal and licensing authorities for sanitary purposes and automatic flushing. We are perfectly content with that. But we do protest and ask for this amendment when it comes to the point that these high rated premises, which are closed of necessity for several weeks at a time and, in seasonable cases throughout the whole winter, are required to pay not only for what they consume but also this very high quarterly charge when they are not consuming the water, and it does seem to us that the water undertakers are asking for it both ways in so much as we should have to pay the quarterly charge even when we do not consume the water, and during the time of the year when we are open and in business and do consume it, then we have to pay by meter and pay for what we do consume. They seem to get it both ways. Therefore we do support this amendment on behalf of the Provincial Theatres of the British Isles. (Mr. *Percey.*) I appear on behalf of the Licensed Victuallers Defence League of England and Wales; that is in particular on behalf of those members who are in seasonal resorts, in the same places as those that have been referred to by my friend for the Hotels and Restaurants Association. The assessment of premises, I would submit, is an assessment for the whole of the year. It is upon an assessment for the whole of the year that the water rate is levied, and I am anticipating that our friend who will oppose this amendment will say that they have certain peak periods to cope with and that it is because of those peak periods that they want rather more out of the users of water, such users as are set out in Clause 52. I should submit that so far as licensed premises are concerned—and after all they are my chief concern—assessments are already very high for this class of property and they are ever increasing. Your Lordships will know that consequent upon a certain decision in your Lordships' House about 18 months ago there has been, and there will be, I venture to say, a steady increase in the assessment of licensed premises, with the result that the water undertakings are in any case going to have something in the nature of a windfall in one direction just as the Chancellor of the Exchequer is going to have a windfall in

another. I think it may be said that this amendment will operate inequitably so far as local householders are concerned, but I wish to suggest to this Committee that these hotels or these restaurants, these public houses, these places of entertainment all tend to create the prosperity of these various centres that we call seasonal rescrts. I am not going to mention a bracing place that we discussed so long in conference yesterday, but the fact remains that every householder in a particular area, whether it is Folkestone or Skegness or any other place, gains indirectly as the result of amenities which these particular places create. In other words, people would not go to these places if there were not these places of entertainment, these hotels and these licensed houses. Therefore householders within those areas do gain directly through the very existence of these places. That is a point which should be borne in mind. If it is going to be suggested that to do any other than create this new impost under Sub-section (4) will hit other consumers, it must be borne in mind that these places affected create an interest for all the householders with the result that they benefit indirectly and therefore, it equals up any injustice which may be referred to by my friends and the Water Board. It does seem to us that this is another attempt to make a certain class of the community pay for water that they are not consuming, and it is in the interests of those persons that I support this amendment now before you. I trust that our friends of the Water Board will be satisfied that under the meter system as already in operation they are getting quite sufficient, because my general experience is so far as these things go that licensed houses do not use as much water as a good many people have been led to believe in the past, and that in at least one centre I have in mind at the moment they never use, at least there is hardly a house in the whole town, that uses up to the minimum. In other words, they are continually paying for water that they do not use, and we wish that that shall be checked as far as it can be checked, and not extended by this clause.

854. Mr. Marshall, I think your point is on Sub-section (3) about farming. You would not want to take it now, would you?—(Mr. *Marshall.*) I want first of all, if I might, to ask Mr. Armer or Mr. Hill whether in Sub-section (4) the words " in any of the cases mentioned in this section " are intended to refer to Sub-section (3)? (Mr. *Armer.*) Yes. (Mr. *Marshall.*) They are? (Mr. *Armer.*) Yes. (Mr. *Marshall.*) I should like to ask this elementary question. Take the case of where the undertakers are entitled under Sub-section (3) to say where water has been taken for farming purposes, it must be taken by meter and applying to that Sub-section (4), is the minimum quarterly charge one-fourth of the annual amount which would be payable according to the poundage in the particular Act on the net annual value of the farmhouse? (Mr. *Armer.*) Yes. (Mr. *Marshall.*) Because, of course, the land would be derated. If you would like to hear me now I will proceed?

Mr. *Edwards.*] Do not you think that the arguments advanced in this case will be quite different from the others? Had not we better get a clear picture of the hotels and restaurants case first?

Chairman.

855. Yes, I think we had better do that. (Mr. *Knopp.*) May I address you for one moment?

856. On which side are you?—I am against Sub-section (4).

857. Who are you representing?—I represent the Cinematograph Exhibitors' Association.

858. You support the amendment?—I do. I also represent the Entertainments Protection Association who represent a large number of music halls throughout the United Kingdom.

Major *Mills.*

859. It was I who asked to hear the case developed. Might I, perhaps, through you ask that only anything new should now be brought forward?—

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

Yes, I will raise one additional point. Before doing so I should like to emphasise our agreement with the views that have already been expressed. There is one difference between a cinema and a normal theatre, and that is that in the average cinema whose rateable value is very high the quantity of water consuming equipment installed is extremely small. I shall trouble you with only one instance where there is a comparatively large cinema where, by the application of this Sub-section (4), the annual charges for water would be over £350 per annum. That would represent approximately 7,000,000 gallons of water per annum. In checking up I find that the consumption of water at that particular cinema does not exceed three-quarters of a 1,000,000 gallons per annum.

Chairman.

860. Is this a new point? It seems to me that this is merely supporting what has been said before?—Except, if I may say so, whereas with an hotel, I understand that the consumption fluctuates according to seasonal requirements, with a cinema the consumptions are usually low every quarter and there is very little fluctuation. The maximum fluctuation I have discovered is just under 10 per cent.

Mr. *Edwards.*

861. There is one interesting figure. You gave us a figure which in a specific case you would have to pay?—I gave you a specific case.

862. How much was it?—£350 per annum.

863. That is as it would be under this Sub-section?—Yes.

864. What is the present charge?—The present charge, I believe—I would not be certain—is £89 per annum.

865. It is the difference between £89 and £350?—Yes.

Lord *Kenilworth.*

866. In connection with this Folkestone Hotel we have had these figures given by the Hotels and Restaurants Association. What is the annual amount for that particular hotel, may I inquire?—(Mr. *Townend.*) I take that question as meaning the annual amount which would be paid based on a rateable value?

867. Yes?—That is four times £45 which is £180. (Mr. *Haseldine.*) I speak on behalf of the British Waterworks Association and the Water Companies Association who cannot accept the amendment that has been put before you. I think you might be inclined to think from what has been said by the proposers of this amendment that this is something new. It started in 1907 with the Metropolitan Water Board Act when a clause very similar to this was inserted in their Charges Act of that year. Ever since then Parliament has put clauses very similar to this in private local Acts.

Chairman.

868. How many?—During the last ten years—that is from 1929 to 1939—there have been 98 private Acts in which clauses similar to this occur. In one of those it is left entirely to the discretion of the Corporation as to whether or not they put a minimum charge on and what that minimum charge is. In 7 of those 98 cases the water rates are levied half-yearly, not quarterly, and in those cases they have half-yearly minimum charges. But in all the other cases, in 91 cases, the clause is practically the same as the clause in this Bill.

869. There are 91 precedents for this clause?—In the last ten years, yes.

Mr. *Edwards.*

870. In no case is it optional?—In only one case is it left to the discretion of the Corporation, and in no case is the suggestion put forward by the hotels to be seen.

Mr. *Levy.*

871. May I ask you one question? I ask you to justify whether you think it is fair that in one particular quarter when a hotel is shut up the place should pay some substantial sum for something which they do not receive

or benefit by?—If you please. I should like to refer you to this document which I understand the Hotels and Restaurants Association have put round your table.

Chairman.

872. What is the number?—My copy has not a number on it, but it is a document with their main heading on it: "Hotels and Restaurants Association." It has figures of a certain hotel in Folkestone. They are complaining, as you will see at the bottom, that under the method of charge by the clause in this Bill, this particular hotel would have to pay 47 per cent. more than they would do if they were allowed to buy the water as they wanted it through a meter and pay no minimum charge. I should like to draw your Lordship's attention to the figures in the upper portion of the table where they disclose their consumption. You will see that in the first quarter their consumption was only 29,000 gallons; in the second quarter 822,000 gallons, in the third quarter 2,206,000 and in the fourth quarter 33,000, a total of 3,090,000 gallons in the year. If you divide that 3,090,000 by four you arrive at the average quarterly consumption which is a little over 772,000 gallons. If you look again at the figure they have shown for their third quarter, their consumption of 2,206,000 is 184 per cent. above the average quarterly consumption of that hotel for the year. The water undertakers have throughout the year got to provide all the necessary reservoirs, trunk mains, distributing mains, pumping stations and other works in order to provide for the peak requirements for their district. The hotels and restaurants' peak in this particular case and in many cases comes at the time of the peak, which occurs in the ordinary supply of any particular undertaking, and their suggestion that they should pay only on an annual basis would not provide sufficient funds for the undertaking to provide and maintain all the works that are necessary to meet their peak requirements when it suits their convenience to demand it. You will remember that in discussing Clause 13, the Catchment Boards' Association asked for the insertion after the word "mode" of the words "rate of discharge." It is the rate of supply that is the crucial point in this particular clause, and we have in this particular case at Folkestone in one quarter of the year to provide water at a rate of 184 per cent. higher than the average. For that we have to have and maintain all the necessary plant. A Member of the Committee said that I was to justify their paying in the quarters when they use but very little or no water, and I think I might refer him to the fire protection provisions in the Waterworks Clauses Acts, the Fire Brigades Act and, of course, in this Bill. During the whole of the year the undertaker has to provide all the necessary water to fight fires whenever they may occur in premises within his district including the premises of those who have moved this amendment.

Mr. *Edwards.*

873. May I just get this point clear. Is your argument now precisely the same as the one used for charging for a peak load in the case of electricity?—I understand that in the case of electricity if you are on a maximum demand basis you have to pay a fixed charge which allows the electricity undertaking to provide the necessary plant to meet that demand.

874. I mean in the case of power where you take a considerable amount of power and you undertake to take so much at a fixed rate. If you exceed that then you have to pay a very considerable sum to provide for the capital cost you have just referred to?—Yes.

875. You provide that in a different way but it is for the same purpose?—Absolutely.

876. You provide for a peak here in one particular quarter. In order to get that clear, may I ask this question? Have not you in your present scale of charges already provided for that?—No.

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

877. I have no doubt you have to provide for that, but it would seem that if you have not provided for that (leaving out for the moment any future development), in your present scale of charges you are losing money?—That is so, and it is not provided for because generally in these private Acts of Parliament you will find that the undertaking is to supply water by meter at a price not exceeding a certain sum and that is the price you charge per 1,000 gallons of water to all consumers including the hotels, and it is the same charge that you charge to a man carrying on a works where he requires water and in which works, of course, the consumption is even throughout the year.

878. Are you prepared to quote specific cases where they are losing money because of this present method?—I am afraid I cannot quote any specific case. I could only refer you to this particular case here of Folkestone.

879. Are the local Water Board losing money?—I should think it would be very difficult to find any undertakings in the country who are losing money, because Parliament provides that their charges shall meet their outgoing expenses.

880. I do not want to interrupt your argument but it does seem that if you are going to provide for this by another method, then there should be a corresponding reduction to at least some consumers if your argument is sound?—Oh, yes, and I think I might make that quite clear now that in so far as any concession which this particular trade—this hotels trade—might get out of any particular water undertaking, the money that is lost to that undertaking has got to come out of the pocket of the domestic consumer. In the case of a corporation the interest is fixed. In the case of a company the dividend is fixed by Parliament. Their stock has to be issued by tender, advertised, and sold at the highest price obtainable. To-day it is on about a 4 per cent. basis so that the undertaking is not going to lose anything by this, but the individual domestic consumer who has to balance the budget of the undertaking will have to foot the bill for the purposes of this trade.

Mr. *Levy.*

881. What I do not understand is this. Am I right in assuming that when your prices are completed for the purposes of your balance sheet, the price you charge the consumer is such that your undertaking makes a profit under present conditions?—A limited profit.

882. Very well, but a profit?—In law it is a profit; actually it is just sufficient to pay their outgoings.

883. What I want you to justify is this. Let me give you a hypothetical case. Let us assume that this hotel in Folkestone closed down for 12 months: You, under this, are going to charge them £270 10s. 7d. for water which they have not had. Will you justify that?—If they closed down their hotel for 12 months and gave the water undertaker notice that the hotel was being closed for 12 months, there would be no water rate.

884. But you have still to provide, according to your argument, all the necessary machinery for them. Your argument is that you do provide all the necessary machinery and water to enable you to supply that particular consumer if and when desired?—That is so but the case is that they only close down for certain months in a year and they are coming on to you again so soon as it suits their convenience.

Major *Mills.*] If they closed down for a whole year and came on again——

Mr. *Levy.*

885. Then it would be the same argument?—That is so, but one is always liable to lose a consumer and that hotel might open again in 12 months time or it might not.

886. What I want you to do if you will, with great respect, is to justify it. You have not put up an argument yet that has convinced me that having regard to the profit you make on your ordinary water rate which now exists, you are justified—this seems to be a clumsy two-part system—in charging the

consumer for water which he does not consume or have?—The water undertakings do not make a profit and any money that they make out of this particular trade has got to go to keep down the price of water to the ordinary domestic consumer by reduction in the rate. The undertakings cannot do anything with it; they cannot pay any additional dividends as they are limited by Parliament, and this is really not a case of this particular trade against any particular water undertaker or against a waterworks industry. This is a case of one particular type of consumer against a general body of consumers in that district, and any concession that might be given to this particular trade or any other trade is bound to be reflected in the water rate which has to be paid by the domestic consumer. I would like to refer you for one moment to a fact which will be well-known to the Committee, that many of the undertakings in this country cannot find within their own area sufficient water to meet the demand of their consumers, and they have to enter into bulk supply agreements with neighbouring undertakers. Parliament from time to time has put clauses in various Acts which enable one undertaking to supply water in bulk to another undertaking. In practically all those cases there is a minimum quarterly charge to be paid by the one undertaking to the other undertaking from whom they desire to purchase water. There is probably a maximum limit that can be taken on any particular day, but there is certainly a minimum quarterly charge which has got to be paid, whether they take any water or whether they take water equivalent to the value of the minimum charge, and it would be grossly unfair to undertakers that they should have put upon them an amendment like this which would not allow them to make the same provision which any other undertaking supplying them with water in bulk would insist on having. I think I have said as much as I can say as regards the hotels. As regards the theatres, I think that they are to some extent covered by Clause 49 (1) (*b*).

Chairman.

887. "In the case of premises used solely for such purposes"?—That has been altered and it is "in the case of premises used solely for business, trade or manufacturing purposes." Theatres and cinemas, I take it, are premises used solely for business purposes or trade purposes and they would be entitled under Clause 49 (1) (*b*) to a reduction from their annual value by such a figure as may be prescribed by the Minister, and they will not be charged at the full rate on the annual value of their premises, so that I am afraid that their figures that have been put in are probably based on the full annual value, whereas actually under Clause 49 (1) (*b*) they will not be charged on the full annual value. I think I have covered all the points and I hope I have, as an inexperienced advocate, been able to put the case before you?

Mr. *Edwards.*

888. If you think that is equitable in the case of the entertainments which you have just quoted, why would it not be equitable for the small hotel or lodging house keeper, say? If you say it is equitable in the one case, I cannot see why would it not be in the other?—In the majority of the lodging houses, I expect they are charged on the ordinary rateable value and not by meter. You mean the smaller premises?

889. Yes, but here you have the right to put in a meter?—Yes. If it was a big consumption, an undertaking would insist on a meter, but undertakings usually do not increase the number of meter supplies if they can avoid it.

890. Have you seen this amendment put forward by the small hotel people?—No.

891. Would not this be a convenient point to have something said about this amendment suggested by the small hotel people?—
(*A copy is handed to Mr. Haseldine.*)
Do you want me to speak on this?

Chairman.

892. Yes, please?—I have this document and in it they refer to Sub-section

11° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. Harris, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. J. K. Swales, M.Inst.C.E., Mr. Arthur Collins, Captain C. W. Ellen, Mr. J. F. Haseldine, Mr. A. W. White, Mr. R. H. Tolerton, C.B.E., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, Mr. Percival M. Selby, Mr. H. S. Townend, Mr. Roy Snell, Mr. Leslie Knopp, Mr. Patrick Howling, Mr. Leonard R. N. Percey, Mr. Harry Kennard, Mr. G. F. Fry, Mr. R. G. Doyle, and Mr. T. T. Blyth. [*Continued.*

(2) (*c*) of the clause, which says: "Any boarding house capable of accommodating 12 or more persons including the persons usually resident therein" and asks that it be deleted and in its place be substituted "any hotel or boarding house having a public restaurant, bar or café." I am afraid the water undertakings could not agree to that amendment because this would cut out an enormous number of private hotels and boarding houses in seaside resorts who have no rooms which are open to the public.

Mr. *Edwards.*

893. I was thinking of the case you have just argued. You said that because it is a trade they were entitled to what you have just quoted in the previous clause. You think they are protected because they are manufacturers or are treated as manufacturers?—Not the hotels.

894. No, the theatres, cinemas and so forth?—The cinemas are, yes.

895. You say you think they can be met?—Yes, I think the theatres can.

896. You seem to suggest that it was right that they should be?—Certainly.

897. What I cannot understand is, if it was right in that case how it could be otherwise in this case, because here are small people who are earning a living in a comparatively few weeks in the year and their having to pay these high charges which, we understand, are probably going to be 50 per cent. more. You have not put forward any justification for charging these comparatively small people that enormous increase?—The answer to that is that the theatre and cinema business is more or less an even business throughout the year, but these hotels and boarding houses are a fluctuating seasonal business which brings peak loads on the top of a peak consumption of the undertaking. (Mr. *Pritchard.*) May I add a few words on behalf of the Association of Municipal Corporations? May I, in the first place, apologise on behalf of Mr. des Forges, who has hitherto been appearing before this Committee; it is impossible for him to be here to-day. If I can, I will endeavour to say what he would have said. We, as an Association, support Subsection (4) of this clause as it is, and oppose the amendment which has been moved by the hotel keepers. The clause provides for a meter charge and a minimum charge. There is no objection, as I understand it, to the meter charge. The only point at issue is the minimum charge. The case that was put up for the hotel keepers and others appears to be a very hard case, but if the Committee will look at this from the public point of view, they will appreciate that these are just the very expensive people that we have to supply. They are the people who want a lot of water at the dry period in the summer, and water undertakers must provide for plenty of water during the dry period which is the period of great demand. It is no assistance to the water undertakers to know that the hotel keeper will not take any water or will take only a little water during the winter. There is plenty of water to spare then. It is during the summer time when there is the demand that water must be available at the peak. During the winter months the undertakers must go on paying their charges on their capital, which has been invested in the laying out of the works, and they ask for a minimum charge to be paid during the whole of the year. A reference has been made by my friend to the precedents. May I refer the Committee to the Second Report of the Legislation Sub-Committee of the Advisory Committee on Water, which was published as long ago as 1929, in which they refer to this particular clause in this form. They refer to recent precedents and they recommend the clause in that form, and, as my friend has pointed out to this Committee, there have been many precedents in local Acts in accordance with that recommendation. We do not want to be hard on the hotel keepers or anybody else. All we want to do is to be fair as between one consumer and another. As municipal undertakers we do not make a profit; the undertaking is just self-supporting, making no profit and no loss, if possible. We suggest that this

clause as in the Bill is fair to all consumers and we ask the Committee not to amend the clause. (Mr. *Snell.*) May we be allowed to answer on this case?

Lord *Faringdon.*

898. Would your case be met to any extent if in Sub-section (4) instead of reading "to a minimum quarterly charge of one-fourth of the annual amount" reading "to a minimum annual charge of the annual amount which would be payable"?—(Mr. *Haseldine.*) I am afraid it would not, because that would mean that in any particular year they would simply pay for the quantity of water they used through the meter.

Major *Mills.*] Would they be very wicked if they did that?

Mr. *Levy.*

899. Would that be a criminal offence?—They would pay in accordance with the scale which is shown here, on their own document, which totals up to £185 10s. 10d.

Lord *Faringdon.*

900. The annual assessment would be the minimum charge that they could make regardless of the amount of water they consumed?—In that case they would be entitled to take in that year a quantity of water equivalent to the number of 1,000 gallons at the prescribed rate, which would total up to the amount of the annual value—the rate of the annual value—but they can demand that in the matter of a course of a month or so; and to alter "quarterly" to "annually" would not get us over our difficulty. We should not be getting the minimum charge during that portion of the year when we have to maintain the works to meet their peak when they choose to put it upon us.

Mr. *Levy.*

901. If I can sum this up in a sentence, shall I be correct when I say that you not only want to charge them for water that they do use, but you also want to charge them for water which they do not use, simply because you supply the facilities to give them water should they so desire?—I do not think I could quite accept it in that way. We charge them for water that they do use, but when we make them a minimum charge, although that is calculated as being so many thousand gallons at such and such a price, it really is a fixed charge which we have to levy in order to maintain the works to meet their demand when they require water.

Mr. *Levy.*] That is what I said.

Chairman.

902. You are making an overhead charge to cover the cost of maintaining works throughout the year, which are only wanted at the peak season?—If you please.

Chairman.] That is the point.

Sir *Francis Fremantle.*

903. Your case is that to supply water—the actual water—does not cost you anything practically, but what does cost you something is to keep the water ready so that it can be turned on when required, and that goes on equally all over the year?—That is so. The water itself costs us actually nothing. In the case of my particular undertaking it is a pumping undertaking. Actually all we should save would be a small fuel cost. We sell water at 1s. 6d. per 1,000 gallons and my fuel cost is about 1·3d.

Major *Mills.*

904. Are not your charges calculated out carefully when you first start the undertaking and when you know that Folkestone, for instance, is a seasonal town and that much more water will be used in the summer half of the year than in the winter. Is not that all taken into consideration when you begin and fix your charges?—There would be a price per 1,000 gallons prescribed for metered supplies in Folkestone, but that would not differentiate between a consumer who required water by meter more or less evenly over the whole year and a consumer who wants to take the water in a big lump during a few months of the year. The price is the same unfortunately.

905. That is not my point. Do not you really calculate originally, knowing what your supply is going to be, in such a way that your charges, however they are calculated, are going to meet the expenses you incur?—That is so.

Lord *Faringdon.*

906. It seems to me that this installation of a meter is at the discretion of the undertaker. Surely the receiver cannot insist on the installation of a meter, can he, as I understand the Bill?—No.

907. In that case why do you instal the meter if you do not expect to get at least your annual charge? It seems to me a little shortsighted on your part?—We instal the meter expecting to get our quarterly charge.

Lord *Faringdon.*] If getting the bigger quarterly charge is over a year going to bring you in less than the rateable charge, I do not see why you ever instal a meter.

Mr. *Edwards.*] To get both.

Lord *Faringdon.*

908. At present they do not get both. My suggestion was that the annual charge before could be made a minimum meter reading, as it were. He has refused that and turned it down. If they do not expect their meter readings to produce at least as much as the rateable amount would, I cannot think why they instal a meter?—The meter is installed in an effort to keep down the maximum consumption and to check up on a place which is being used for this particular trade or other trades. It is to see that water is not being used wastefully and that they are not taking more water than would be included at the prescribed charge—more water than they would be entitled to at the prescribed charge.

Chairman.

909. Arising out of what you told me and Sir Francis just now, your object is to secure a minimum charge to keep your plant going throughout the year at the peak requirement, is it not?—If you please, yes.

910. When you answered that question you said, unless I misunderstood you, that there was a question of fuel cost which came in. Did not you say that?—Perhaps I did not put it quite clearly.

911. That is the point. You did mention fuel, did you not?—Yes, I did.

912. Surely the question of consumable stores does not come into it, because if you are not going to pump the water you do not want the fuel?—That was my point. If for any reason a consumer does not take a 1,000 gallons from me and pay me 1s. 6d. for it, all I save is the little cost of fuel which is about 1·3 of a penny. I have still all the rest of the charges to meet.

913. Why have you to pay for the fuel?—I should be saving the fuel.

914. "Save"—I thought you said "pay"——?—Saving the fuel.

915. You keep the plant going and pay the interest on debentures, and so on. You want a minimum charge to cover those overheads?—If you please.

916. Your water costs you nothing?—My water costs me nothing. My fuel costs me 1·3 of a penny. The rest is overheads.

917. Now the Ministry of Health, please?—(Mr. *Armer.*) There is very little for me to add to what has been said, I think. The drafting Committee took this provision direct from common form local Acts. It is now standard form in local Acts.

918. We want you to give us a little detail on this question of local Acts?—During the last 10 years there are over 90 Acts with this subsection in. The Committee regarded it as common form.

919. Is it a standard clause?—No, not officially a standard clause.

920. Not from Captain Bourne's Committee?—No, Captain Bourne's Committee did not deal with water clauses.

Mr. *Levy.*

921. It is just as well, perhaps?—They did not deal with them because they knew they would be coming before this

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

Committee later. There is a problem that water undertakers have to face. It is quite true that in the summer, particularly at seaside places, they have to provide huge quantities of water, and they have to put in plant to provide that water, which plant, as the waterworks people have pointed out, must be kept going all the year round. If you make a concession to the hotel people you must put that charge on the rest of the consumers. It is purely a question of who is going to pay for the extra water required in the summer.

Mr. *Edwards.*

922. I quite see that they must be covered somehow for providing the capacity to meet a potential demand. That is quite obvious and someone must pay, but did you anticipate, when this was put in the Bill, that there would be such extraordinary increases to a particular section of the consumers?—Yes. We knew that there were special cases like the Folkestone case which, it I may say so, argues perhaps more for the water undertakers than it does for the hotels.

923. How?—In the third quarter they want no less than 2,000,000 gallons. An enormous increase in demand at half-a-dozen hotels like that in Folkestone would mean that they would have to double the supply for the town to meet this difficulty.

924. I can appreciate that, if you are starting that *de novo,* but you have already provided for that in your present charges, and unless you can give me an assurance that as a result of the new method the domestic consumers are going to receive some considerable assistance, I can hardly accept the argument?—They are bound to receive assistance in the long run.

925. In the long run; but would not they immediately get a reduction in charges? You cannot have it both ways?—If a new undertaking took on this charge the domestic consumer must immediately——

926. An existing one. You are covering all your charges and paying your interest. Now you are asking some people to pay 100 per cent. more. We have had only a few places quoted, but if that is a very extensive practice, surely there must be an immediate reduction to the domestic consumer in the case of the existing waterworks?—It is bound to follow that if they get more income from one class of consumer, the other classes of consumers must benefit.

927. Has this arisen out of objections by the domestic consumer?—No, I think it started off in one or two seaside places where you had this tremendous peak demand.

Major *Mills.*

928. Should I be reasonable in thinking that an annual amount collected quarterly on the net rateable value, whatever the assessment is, is calculated as giving a reasonable return to the water undertaking for the year, but that from what was said just now the meter is often put in rather to act as a deterrent and not so much to get the extra water paid for?—I should not think that.

929. It was said just now that it was to check consumption?—The meter would be put in here to catch the heavy seasonal demand, to get income from the hotels.

930. To get revenue for the water used?—Yes.

931. They object to not getting paid for the water when it is not being used. They want it both ways?

Mr. *Levy.*

932. What I do not understand is this. The price of water is now a fixed charge which has been computed in order to enable the water undertakers to pay their way. Unless you are going to reduce the price of water to the ordinary domestic consumer in consideration of this extra large revenue you anticipate to receive, I fail to see what public benefit this is going to give except as an extra profit into the pockets of the undertakers?—I should like to point out to the Committee that water companies only supply one-fifth of the

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

water of this country. Four-fifths is supplied by local authorities who do not make a profit, and they hope not to make a loss. So far as the local authorities are concerned if they get extra income from any particular consumer, the other consumers are bound to benefit. With water companies their charges, income and profits are all fixed by a Special Act, so that if they are on their maximum dividend, as many of them are, when they gain more income from one consumer, the other consumers are bound to benefit, and this really boils down to a question as to who should pay for this special demand for water in the summer; should the hotel people pay or the general consumers pay?

Chairman.

933. It will be the case that these particular industries—the hotels and so forth—will be paying under the new proposal between 25 and 50 per cent. more for their water than other people would pay?—They may quite well do so.

Lord *Kenilworth.*

934. Is it fair to assume that the annual amount for which premises are rated would take into account the fact that there were large hotels short in their rateable value; taking Folkestone as an example, Folkestone has to take into account the fact that there are these large hotels there, and part of the trouble is they are not fully occupied during part of the year, so there is no particular injustice in that end of it?—(Mr. *Powell.*) Can I say one word to sum up from the hotels and restaurants and theatrical Managers' point of view, after hearing what the British Waterworks Association says. I should like to reiterate that they do not object at all to this idea of a maximum charge by way of meter, because, as was pointed out on page 50 of the Second Report of the Central Advisory Committee, it does secure some equitable distribution of the cost of providing supplies, and also tends to restrict excess consumption. All they do ask is that there should be a reasonable minimum, and not this excessive minimum as provided for in Sub-section (4) of Clause 52. They do not mind a sufficient minimum to enable the members of the British Waterworks Association to keep their heads above water, as it were, but they do not want this excessive amount of one-fourth of the annual rate.

Lord *Faringdon.*

935. Would the people you represent be satisfied with the suggestion I made to the British Waterworks Association?—Entirely.

936. To take it on an annual basis rather than quarterly?—Yes. (Mr. *Snell.*) Where a water company has to face a peak load, electricity companies also have to face their peak loads, their expensive generating stations. They cannot store electricity, and they are faced with peak demands for very short periods in the summer. If they are supply companies, and have to buy from the Grid, what they cannot produce, they also have to buy current per kilowatt to connect, and they have to pay on it whether they are using it or not. It has been suggested by one other gentleman here that they want this quarterly assessment all the year round to pay the interest on debentures, and so on. The hotels also have capital, and they do not ask customers to pay all the year round; they only ask them to pay their bills when they are there. (Mr. *Selby.*) Water undertakings try to make a point of the fact that in many cases they themselves buy water and have to buy it on a quarterly basis with a minimum. That I am quite prepared to accept, and it is probably the case that the quantity of water they buy will be by negotiation. So far as we, the theatres, are concerned we have no negotiations. We have to pay on our rateable value, or we have to pay per meter. We are not allowed to negotiate. It is a very different thing. There is one other point. The gentleman representing the municipalities made particular reference to the necessity of the annual minimum charge. I do trust that we have made it quite clear on behalf of the theatres that we have no objection to the annual minimum charge, but to the fact that that

charge is made quarterly, and is based on the quarterly sum. We are perfectly prepared to accept the meter reading with an annual minimum charge, as the Member of the Committee suggested just now, but I did notice that the municipal representative made the necessity ——(Mr. *Pritchard.*) I did not mean to stress the annual point. We support this clause in its present form providing for a quarterly basis.

Mr. *Edwards.*

937. Have you any particular objection to the annual basis?—Yes, I am afraid we have, because it is during the winter months when we must pay for the water being reserved, that we must ask for a quarterly basis.

938. There is one difficulty. In my own municipality, we sell electricity, and we do not generate it unless it is just to avoid getting above the peak. You understand that point? I believe we have to pay on a monthly basis. I believe that is to the advantage of the water undertakers. In buying that bulk electricity, if we exceed a certain quantity at any time—I believe a month—we have to pay for a longer period at a higher rate. I think that is the point, and that is in favour of the water undertakers. On the other hand, as far as the consumer is concerned, my municipality buy that in bulk and take the risk of exceeding the peak and yet, when they ask me to pay the flat rate, which you are asking these people to do, they say: " If you do this, in consideration of that we will reduce your charges by almost 50 per cent." What I cannot understand is why in the case of electricity I get it so much cheaper through the meter, because I pay that flat rate, and in this case they are not getting any advantage. It may be a technical point which can be easily explained?—There is this distinction, I think, which occurs to me without having any technical knowledge. As regards electricity you may get a peak demand but your supply of electricity is constantly available. As regards water the time when the peak demand comes is also the dry period when it is difficult to get water, and you have your difficulty in getting water at the same time as your peak demand, which does not apply either as regards electricity or gas. You have that distinction.

939. In the winter time they have a heavy demand for electricity?—There is the peak demand, but electricity is available in equal quantities in the winter as in the summer. As regards water there is not so much water available in the summer as there is in the winter, and the demand comes in the summer which is the difficult time at which to get it. That is our difficulty.

Mr. *Levy.*

940. In other words, you mean to say if only you could conserve your water in the winter, you would have more in the summer, but because it is all wasted in the flooding in winter time you have none in the summer?—That is precisely the difficulty.

Chairman.

941. Mr. Marshall, would you like to make your case now? I think we have finished with that point?—(Mr. *Armer.*) Perhaps I can save Mr. Marshall's time if I said that we should be prepared to agree to take farm houses out of Sub-section (4). (Mr. *Marshall.*) Having regard to the answer to my question, I was going to say that I agree to there being a minimum charge of some sort, but what I was going to argue was that it has been made very clear in this room in the last half hour——

942. May we see the clause as it stands, " where water supplied to a farm house is used for farming purposes as well as for domestic purposes, the undertakers may require that the water used for farming purposes shall be taken by meter." Do you propose to take out the whole of Sub-section (3)?—(Mr. *Armer.*) No.

943. Just give us the amendment?—The amendment I suggest is, " in any of the cases mentioned in Sub-section (2) of this Section " instead of " in this Section."

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

944. I do not see how it reads?—(Mr. *Hill.*) It would then read, " (4) In any of the cases mentioned in Sub-section (2) of this Section " the minimum charge shall be so and so. That would cut farm houses out altogether. (Mr. *Marshall.*) I understand there will be no minimum charge then? (Mr. *Hill.*) Yes.

945.—Then you are satisfied?—(Mr. *Marshall.*) Yes. (Mr. *Pritchard.*) May I discuss that with the Ministry? I think we should have a little difficulty in taking that out. There is a small point, if I may discuss that with the Ministry during the luncheon adjournment, if I may reserve the right? (Captain *Ellen.*) I must come in on the industrial side of this clause. The arguments one has heard this morning seemed to be generally on the basis that folk should pay for the water that they take, and for such provision as is made to give them the water supplies they require. Sub-section (4) in the Bill as read with Clause 49, (1) (*b*), as the Bill was originally drafted, we thought would probably carry out the intentions which these two purposes seem to indicate. The Committee has, however, accepted the amendment to Clause 49 (1) (*b*) which alters the situation. Whereas, in connection with sub-section (4) of this Clause we relied on individual treatment in regard to the minimum charge by a Court of Summary Jurisdiction, we no longer have that safeguard. That lands us in a very serious position. You will recognise that so far as factories are concerned the annual value is no indication whatever of consumption or of need. There are many cases, particularly where the drive is all electric, where there is no demand whatever for water except for purely washing, sanitary and drinking purposes. One might go so far as to envisage a case where there is no demand except for drinking purposes alone. Water for washing and sanitary purposes may perfectly well be obtained from a well on the premises. In such cases as that we should be paying fantastic sums for water supplies because, as you will recognise, sub-section (4) of Clause 49 throws the whole of the buildings in the factory into one for the purpose of assessing the rate which can be charged for domestic supply. We do not contest that we should pay for what we get, and we do not contest that if measures are taken to provide us with water we need, the water undertaker should be recompensed for the works that he has constructed, but we do say that no such empirical basis as the net annual value should be adopted for determining the minimum charge, unless there is some such provision as will reduce the significance of the net annual value merely to a factor which can be varied, so that we shall be paying a reasonable sum for our water. The Committee having accepted the amendment to Clause 49, which envisages that in every Private Act there will be some prescription of proportions, I submit that that procedure cannot take all cases into consideration nor can the Minister determine the proportions where there is no prescription in the Private Act. We do ask the Committee to insert in sub-section (4) of Clause 52 a provision which will enable us, if we are unreasonably treated by this Clause, or if it acts unreasonably in our case, to go to the Minister or to go to a Court of Summary Jurisdiction, if that is thought more suitable, to have this minimum charge reduced to such an amount as is appropriate in the circumstances of that particular case. (Mr. *Townend.*) Might I ask Mr. Armer a question in regard to farmhouses?

946. Yes?—In the case of those farmhouses, such as there are in Cornwall and Devonshire, which take more than twelve paying-guests during the summer —and I assure your Lordship that there are many of them—in which category would they fall? (Mr. *Armer.*) I should say farmhouses. (Mr. *Howling.*) On behalf of the National Chamber of Trade, may I be permitted to associate that organisation with the observations and representations made by Captain

Ellen a few moments ago, notably in regard to business premises of almost all descriptions.

The witnesses are directed to withdraw and after a short time they are again called in.

Chairman.] The Committee, have, as you may have assumed owing to the time we have taken, given very careful consideration to this matter, and to the various representations which have been made to them. We have come to the conclusion that an extra charge to the hotels and the other interests who are mentioned should be made on the grounds put forward by the Promoters, but we are not satisfied that the proposals in Sub-section (4), line 33, are necessarily the best that could be made. We therefore have decided to accept the Clause down to the word "minimum." If you would not mind looking at your Bill, you will see "quarterly charge of one-fourth of the annual amount which would be payable by way of water rate for a supply of water" and so forth. What we suggest is that as to what should be inserted after the word "minimum," you should get together and agree upon what you consider to be the proper and just figure extra, which should be paid to these undertakings in consideration of the fact that the plant and so forth have to be kept alive and working during the winter months, when they are not supplying very much water. We want you to get together and to settle upon that figure. You will get the various suggestions which have been made, by Lord Faringdon, and the amendments, and so forth, from the Printed Minutes. You will have them all to consider, and that will enable you to make up your minds as to what is the just and proper figure to be placed in the Clause after the word "minimum."

Mr. *Levy.*] To make it quite clear we are of the opinion that the one-fourth as at present stated is excessive. We are prepared to give you a minimum charge for the two other quarters, but it has got to be considerably less than the figure suggested, and you are asked to consult to provide a minimum figure, and then we will reconsider the proposition.

Sir *Francis Fremantle.*] I should like to qualify that by saying that I do not think we decided that it has necessarily got to be less. The point was not put to the vote. We have very strong views amongst ourselves, and that being so we did feel that it was only right that we should make our decision after you have again made a determined effort to come to an agreement, and you should come up before us again.

Chairman.

947. But the principle has been decided that there should be a further charge on these particular interests in consideration of the special circumstances under which they operate?—(Mr. *Hill.*) To avoid any possibility of doubt and to get it on the notes, it was proposed that farmhouses should be excluded from Sub-section (4), but I do not think any definite decision was formally recorded. In the first line of Sub-section (4) it was proposed "in any of the cases mentioned in Sub-section (2) of this Section."

948. We agreed to that at the time?—I wanted to make sure it was on record.

949. Yes?—May I draw your attention to one other point? On the next Clause there is the same dispute as to what is a proper minimum quarterly charge for water softeners. Would the Committee think it would save time if that also were discussed between the contestants before this Committee were asked to give a definite decision?

950. I have not looked into it very carefully yet, but I think what you say is very proper?—It is in line 5, "subject, however, to a minimum quarterly charge of 10s." We know that is going to be objected to. (Mr. *Kennard.*) I have no objection to that being done, but before we come to the minimum charge I am going to ask the Committee to decide whether the fact that there is a domestic service of water softening in a house disentitles the householder to the rate which he or she now pays, namely, on the rateable value. My first

case, therefore, is that I still say that the use of water softeners——

951. I think we had better wait to hear the arguments. If the point is not the same as the one which we have left over to be considered, and there are further considerations, the Committee would like to hear them first?—If the Committee decide against me on the first point, I agree the second.

Mr. *Edwards.*] On the other point, as they are going to discuss this matter, I thought what was said might not leave it clear in their minds. First, that there was a strong feeling that a case had been made for an increased charge, but an equally strong feeling that the proposal was not equitable. We wanted them to consider all the proposals put forward. If they cannot agree the Committee will then be compelled to make a decision themselves, but we want to avoid that if we can. I did not want them to think that there had not been a strong feeling about the proposed quarterly charge.

Chairman.] I think it is understood. We expect you to come to an arrangement. The Committee have come to a decision on the main point, and we now expect you to get to an agreement on the details.

(*Clause 52 is postponed.*)

Chairman.

952. There are points that you want to raise on Clause 53. We will start on Clause 53 after the adjournment, if you will give us your arguments. If, after we have heard you, we come to the conclusion that the matter could be referred to the parties concerned for further consideration, we will leave it?—(Mr. *Kennard.*) My first point is a point of principle.

Chairman.] We will adjourn until a quarter past two.

(*After a short adjournment.*)

Chairman.

953. Now we come to Clause 53?—(*Witness.*) (Mr. *Mansfield.*) Could I just state my case, my Lord, before you go to the next Clause, on Clause 52 (*c*), to see if it could be included in the Bill?

954. What happened this morning was that we came to a decision and referred it back for consideration between the parties so as to fix a sum, and I think probably the best plan would be to bring it up later?—Would I be able to speak when it comes back?

955. Yes; it will all come back to the Committee—the whole point will have to be considered. The only thing that has to be decided is that some extra charge should be made above the minimum in the case of establishments such as hotels and the other departments that were represented here this morning. That was the only decision. As to what that charge should be, that will be put back for discussion, so that I think you had better wait until that discussion is finished and then you can bring your point forward?—Thank you very much, my Lord.

ON CLAUSE 53 OF FIRST SCHEDULE.

Chairman.

956. Now Clause 53. There is one amendment by the Ministry of Health?—(Mr. *Armer.*) The amendment is to exclude apparatus used solely for heating water. It is really an amendment to make the intention quite clear. It is almost drafting.

957. That is a drafting amendment?—Yes, my Lord.

Clause 53, page 49, line 42, after "water" insert "not being an apparatus used solely for heating the water." Is that amendment agreed to?

(*The same is agreed to.*)

Chairman.

958. Now we have got the Clause quite clear. Would you please go on?—(Mr. *Kennard.*) I am representing the Association of Water Softener Manufacturers, whose water softeners are used almost solely for domestic purposes.

959. You are on (*c*) of Clause 53?—Yes. Two of my members sell no less than 98 per cent. of their articles, water

softening apparatus, for domestic purposes. I understand that the reason for including the use of water softeners is because they waste water. Waste undoubtedly there is to this extent, that there is an issue between my clients, the manufacturers, who say that that waste represents 3 per cent. of the water softened, whereas the users say that that waste represents 5 per cent. of the water softened. In other words, if you wish to soften 1,000 gallons of water, you are running from 3 to 5 per cent. of that water to waste in washing out the material, namely, salt, which is required for regeneration of the apparatus. I admit that, but I submit that the percentage of water so wasted is so negligible compared with the time-honoured practice of charging users of water for domestic purposes on the rateable value or, as now, the net annual value of the property which they occupy. I further submit that the cost of the softening apparatus, that is to say, the provision of salt required for that softening, amounts to from 4d. to 6d. per thousand gallons—in other words, when you spend your money in softening the water you are using something which costs the consumer money, and once you get a consumer spending his own money on his own water, that is to say something in the neighbourhood of 1d. for 150 gallons, that consumer will be more careful in the use of that water than if he, from his point of view, can waste it without cost to himself. Therefore, such things as baths are likely to be less wasteful than would otherwise be the case. Certainly washers and other articles of that kind, which are accountable for a large waste, would be looked after more carefully, because it is going to cost the man who is using that water money, and that would apply also to valves in the cistern, which we know sometimes go wrong and overflow in large quantities. Now, my respectful submission is that when one regards those considerations it will in all probability mean that instead of wasting water the use of softened water would save money, and on balance you would lose nothing at all by way of waste. The next point is this, that you are dealing with a class of person who is not a user of water for the purposes of profit but for the purposes of health, domestic purposes and cleanliness, and those considerations are higher considerations than one gives to a person who comes here to say: "I want something more because it is going to cost me more in my manufacture." I am speaking subject to correction, but I believe the flat rate has been the domestic rate; and there is no reason, I submit, to alter that practice, and for that reason I submit that the whole Clause in regard to softeners should be deleted. Sub-section (*c*) at the bottom of page 49 should be entirely deleted. If the Committee come to that decision I have nothing more to say. If, on the other hand, they consider that they ought to break with the time-honoured practice of a flat rate dependent upon the householder's circumstances, then, if they take that against me, I submit that there ought to be no minimum, or at any rate the minimum ought to be modified. (Mr. *Armer*.) On the first point raised, the suggestion that Subsection (*c*) should be deleted, I would point out that the form of the Clause was settled in the Public Health Act, and this follows exactly the Public Health Act position, and not only that, it is common form in local Acts.

960. Does it represent a very considerable amount of water used?—You will see, my Lord, that in the proviso on page 50——

961. I see that?—We have cut out the small water softener.

962. That is why I asked?—I am advised that some of these large water softening apparatuses might give rise to a good deal of waste of water. That is the advice that has been given to me. With regard to the form of the Clause and the 10s. minimum, that is quite common form in local Acts now. (Mr. *Kennard*.) If it is suggested that my

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., [*Continued.*
Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH.

percentage is wrong, I am quite prepared to call a member of my Association to speak upon that percentage.

Lord *Teynham*.

963. My Lord Chairman, I cannot visualise a very large use of any big water softener?—Perhaps I ought to explain. You may have the one point water softener which has a capacity of softening 60 gallons of water. I have it here. Into it you put three-quarters of a lb. of salt on each regeneration. If you have, we will call it, a 250-gallon apparatus, you do not increase the percentage of waste; the percentage is constant, but being four times the size it follows that you require four times the amount of water to wash the salt away. I have here a one point water softening apparatus. (*The same is produced.*) You attach *that* to your one point. (*Indicating.*) We will assume that is in your scullery. The apparatus will pour hard water from the tap and discharge soft water *here*. (*Indicating.*) It takes three-quarters of a lb. of salt to regenerate it, and it will give you 60 gallons of water. We will assume that you prefer to have your morning bath in salt water. You take it from your scullery and you put it into your bathroom, and you allow the water to come forth from *here*. (*Indicating.*) (Mr. *Armer*.) This apparatus is surely one that is exempted under the Clause. (Mr. *Kennard*.) That is what I am saying. In the meantime perhaps the maid wants to make your tea, and she must either get something else or wait. I will assume that my apparatus goes all over the house: this obviously cannot be used except to a very limited extent. But I have an apparatus of 250 gallons, a large article, which stands about 3½ feet high, and it takes four times the quantity of salt and four times the quantity of waste—in other words, 12 gallons of water would have to be wasted to wash out the salt, whereas only 2 are used here, because the quantity of salt is four times greater than it is in this article.

Chairman.

964. But this sub-paragraph (i) is already in existence, is it not, under the Act of 1936?—(Mr. *Armer*.) Yes.

965. That is all you have told us?—Yes.

966. Sub-paragraph (i) of the Clause follows the Act of 1936?—(Mr. *Kennard*.) I agree. I would also draw your Lordship's attention to the Second Report of the Central Advisory Water Committee. At page 50 they say: "Clause 53 is new. It enables the undertakers to require"——

967. I have got that, but I was only asking you this. You will see also that it is mentioned there, and Mr. Armer has told us that this sub-paragraph (i) and the charge of 10s. is already the law under the Act of 1936?—(Mr. *Armer*.) Not the charge of 10s.

968. That is the point. That is what I wanted to get clear?—(Mr. *Kennard*.) I am prepared to admit there is such a provision, and I am prepared to admit that in the case of Hereford I think that Clause was put in as is proposed in this Bill, but my point is that we are now dealing with a national scheme applicable to the whole country, and the main point I make is that if this Clause is put in as allowed the result will be that you will be infringing, as far as I know, for the first time, on the rights of the ordinary person using domestic water entirely inside his house, who is to be charged, not on the rateable value or the net annual value of the premises occupied, but is to be charged upon another basis entirely, namely, the quantity consumed.

969. You are objecting to the 10s.?—Yes.

970. That is the point?—If your Lordship pleases.

971. Your other proviso in sub-paragraph (ii) is an alternative?—Yes. (Mr. *Doyle*.) Will you hear me on behalf of the National Association of Water Users, Limited? My Council are very much concerned about the position of the small domestic user with regard to this proviso. I refer to the domestic user with a house of a rateable value of £22 or so, and my

Council have asked me to raise my own case in putting these submissions to you. I live in a house the rateable value of which is £22, and I pay 12s. 8d. per half year water rate in the Metropolitan Water Board's area. By softening my water I have 1,000 gallons of softened water which lasts me a month. I use exactly 250 gallons per week. The actual wastage upon that, or what is termed wastage, is 30 gallons per month—the amount I might use in one extra bath per month. This proviso will subject me to an extra anual cost of just about 15s. Mr. Armer stated that there was a precedent for this; there is no precedent for the charge; a charge has never been made, with the exception of about four water undertakings in the country, and I am pleased to say that the more enlightened Water Companies, that is people represented here, the Metropolitan Water Board, the Brighton Water Company, the Colne Valley Water Company and the Sunderland Water Company, do not make those charges.

972. That is the point I wanted to get at. The Act of 1936 which I asked Mr. Armer about does not include this charge?—Quite.

973. This charge of 10s. is new?—Yes; and the whole thing has been based on the assumption——

974. And you pay 12s. 8d.?—Yes, per half year; that makes 25s. 4d. per annum. This will make it £2 per year.

Viscount *Bridport*.

975. Does not that come under the proviso?—No; my water softening apparatus is on the main, and it feeds into the storage tank feeding the bath and drinking taps.

Lord *Teynham*.

976. Would you be satisfied if it was sufficiently large to cover your size of apparatus?—Yes, if it was included in the proviso.

Chairman.

977. What would you suggest the proviso should be? Are you saying that a charge of some kind should be made for a very large water softening apparatus?—No. my Lord, because the proportion is the same. It does not matter what the size of the water softener is; the alleged wastage, as it is termed, is exactly the same percentage, whether it is 10,000 gallons or 1,000 gallons.

978. So that you want the whole thing out?—I submit that is our case, my Lord. (Mr. *Armer*.) I should like to correct one point. This 10s. minimum is common form in local Acts.

979. In the special Acts?—Yes.

980. How many are there?—There are a good many, my Lord. This year I have had some, and in fact I have got Folkestone as an example in front of me, and I find the Clause there. Under the Public Health Act there is a minimum charge which is left to be prescribed by the Minister, as all charges are under the Public Health Act. (Mr. *Pritchard*.) My Association ask that this Clause be passed in its present form. We are only talking about the large water softeners, and the small water softeners are not in question because they are already excluded. There are, as your Lordship has heard, precedents in local Acts and in the Public Health Act which apply to very many Local Authorities' undertakings which contain this provision. As Mr. Armer has explained, the only distinction is that under this Clause the Clause itself prescribes a minimum, whereas under the Public Health Act it is left for the Minister of Health to prescribe a minimum, and that is the principle applying the distinction between this Bill and the Public Health Act, not only on this Clause but on other Clauses. We therefore ask that this Clause should remain in its present form.

Mr. *Levy*.

981. What objection have you got to the Minister prescribing the minimum? Why should you want to put this in yourself if the Minister's prescriptions are always satisfactory?—The only reason is because it seems to be the policy of Parliament that where Parliament inserts special provisions, and those must come before Parliament

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

either by being incorporated in an Act in the future or by an Order, in that case the policy has been under Clause 49 of the Bill and under subsequent Clauses for the specific maximum charges to be prescribed, or, as in this case, a minimum charge to be prescribed. Now Public Health undertakers do not come before Parliament, and therefore it is left to the Minister to prescribe the amount. I do not know that there is any particular reason, except that as they will be before Parliament and have their own Act, it is considered no doubt convenient and proper that the Act or Order should prescribe the minimum in this case or the maximum under Clause 49.

982. I did not make myself clear. Up to now the way the Minister has worked the prescribed amount has always given satisfaction; there has never been any complaint?—As far as I know, both as regards this particular subject matter and as regards the whole of the charges of the undertakers or any other matter that has been prescribed.

983. What is the objection to continue it, and why should this innovation be put in?—I do not know that there is any particular objection, provided that some minimum can be put in. I do not think we would mind very much.

984. But that is at the Minister's discretion?—I do not think we should mind very much whether the Minister prescribed the minimum or whether it was put in the Bill.

Major *Mills*.

985. Can you justify a 10s. quarterly charge as a minimum? Is that your opinion absolutely of the minimum you could charge?—I am afraid all I can say is that it is a usual charge to be put in. I cannot myself say how far that is justified on the facts; but I know this matter has been contested before Parliamentary Committees on certain occasions, and it is not a clause that is only put in in unopposed Bills. This clause reproduces their decision, and all I can say is that it is usual. I am afraid I have no information as to the actual extent.

Lord *Faringdon*.

986. I wanted to ask whether you would mind if in the proviso the word were omitted from the end of line 13 to after the word "only," leaving out the words "off into a receptacle at one point only." Would you mind that? That seems to be the objection of the domestic users?—(Mr. *Doyle*.) What we want is this, that the domestic water softener should be delivering water at the drinking tap and into the storage tank.

Lord *Faringdon*.] If those words, "at one point only," were omitted, it would then read: "and is used solely for domestic purposes." That would meet you, I think. I do not know what the water undertakers would say to that.

Chairman.] "if the water softened thereby is used solely for domestic purposes."

Lord *Faringdon*.] "if the water softened thereby can be drawn off into a receptacle at one point only and is used solely for domestic purposes."

Chairman.

987. Leaving out after "thereby" down to "and"?—Yes, I think that would meet us.

Lord *Faringdon*.

988. What would the water undertakers say about that?—(Mr. *Haseldine*.) The effect would be to bring in the larger apparatus. I have no instructions as to what would be the effect of that.

989. The users are not satisfied?—No; but what would be the effect of including the larger apparatus in the proviso I cannot say. (Mr. *Armer*.) When you say the users are not satisfied, my Lord, you mean the sellers of the apparatus are not satisfied?

990. No, I think the last speaker was definitely a user, or he spoke as a user?—I do not think they are speaking for the users; they are speaking for the manufacturers of water softeners. (Mr. *Fry*.) I think you are rather being led to believe that a large water softener costs more than a small one.

991. Sometimes it uses more water?—Yes; but 1,000 gallons of water costs exactly the same whether it is a small water softener or whether it is a large one. People usually have large water softeners in their houses because they do not want the trouble of regenerating the water softener more than once a week or once a fortnight. If they have a small water softener in the house it will serve their purpose, but they have to regenerate it three times a week or twice a week instead of once a week; but the actual cost of softening the water is the same whether they have a plant that regenerates twice a week or whether they have a bigger plant that regenerates once a week. The plant that they regenerate twice a week uses 5 lb. of salt each time they regenerate, but the plant that they regenerate once a week uses 10 lb. of salt each time they regenerate.

Chairman.

992. It is all as broad as it is long?—Yes.

Lord *Faringdon.*

993. But we are not interested in the amount of salt; we are interested in the amount of waste water, and I take it that the large softener presumably is more wasteful than a small one?—Might I explain that question, my Lord? If I may go back to the salt again, which is my way of explaining it, it takes so much water to wash 5 lb. of salt through, and it takes, we will say, double the amount of water to wash 10 lb. of salt through; so that, going back to the man who regenerates his water softener twice a week, he uses a quantity of water that it takes to wash 5 lb. of salt through, which we will put at x. If he regenerates his water softener twice per week with 5 lb. of salt, each time he uses the x figure it is 2 gallons, and if he regenerates once a week, using 10 lb. of salt, he uses the x figure, and it is 2 gallons just the same.

Chairman.

994. So that he always uses the same amount of water for cleaning, whatever the size of his softener?—Yes. When he buys it, he buys the size that he can afford to buy. Take the case of a man living in a £500 house: he can buy a water softener for £10 or he can buy one for £70. They both do the same job. The one he buys for £70 he does not have to regenerate so often, but it does not waste any more water, and it costs the same per gallon for softening. Our friend here puts a wrong argument, because if you bought a water softener that you regenerated once a year you would still use the same amount of salt and you would still waste the same amount of water.

Lord *Faringdon.*] If you are drawing softened water off at, say, half a dozen points in the house, you are going to use more softened water than if you draw it off at only one point; therefore, you would use more water.

Mr. *Medlicott.*

995. Is there any special type of person or undertaking which comes into the category of the large water softener?—I do not think there is any for domestic use; there is no category that comes in a large water softener, because if you take our noble Chairman, I should imagine if he had a water softener that softened 2,000 or 3,000 gallons a week it would be large enough——

996. I wanted to elicit if hospitals or institutions could possibly come within that category?—Hospitals always pay for their water by a meter. We are simply referring to private houses.

Lord *Kenilworth.*

997. My Lord Chairman, it seems to me that the words " at one point only " rather get to the root of this particular proviso, and if the gentleman who spoke on this matter says that his rates for water will go up from 25s. 4d. a year to 40s. a year, his case would be met if those words " at one point only " were deleted?—(Mr. *Doyle.*) Quite so. I have no objection to the Water Company fitting a water softener to my meter as such, but I do object to this minimum quarterly rate. I would be quite prepared to pay the Water Company's

thousand gallon charge through my meter because I know I should not be using more. (Mr. *Haseldine.*) As representing the British Waterworks Association, may I clear up two points. The evidence that you have had as to the amount of water that is used for regeneration and washing out purposes is evidence that has been given to you by the manufacturers of the apparatus. They gave you a figure of 3 per cent. Actually. in practice, where the apparatus is not operated by a skilled salesman of a water softener, the figure is much more than that. The other point, my Lord, is the question of this minimum charge: this is a minimum charge of a supply of water by meter. I have looked up the Year Book of the British Waterworks Association which shows the minimum charges that are made for such supplies all over the country, and there are 207 cases where the minimum quarterly charge is stated, and the average of those 207 cases was 9s. 9½d. a quarter compared with the 10s. that is in the Bill.

Mr. *Levy.*

998. Does not this really mean that usually you charge water on an assessment basis, and here is an opportunity to instal a meter which is more profitable to the Water Company, and is not this just the beginning of the thin end of the wedge as far as the ordinary domestic consumer is concerned?—My Lord, I think the industry do not desire to instal meters; it would be far too expensive to face up to. This is only to guard the ordinary domestic consumer who wants to instal a water softener in his house, against the wastage which will be due to the installation of this particular piece of apparatus. (Mr. *Kennard.*) I have framed an amendment to meet this point, if the Committee thought anything of it. I will place it before you. (Mr. *Mansfield.*) As a user, I should like it made clear, if possible (I have asked several gentlemen here who should know all about these things, but I am afraid they cannot help me), what is intended by this proviso on page 50 from line 10 to line 15? I have a water softener. What I want to know is this. The water from my softener goes out into a receptacle, as it says here, but it goes into a tank, and from that tank I use the water for domestic purposes only—for a water cistern. Does this mean to say that I shall not be charged extra because it only goes into a receptacle at one point?

Chairman.

999. I cannot answer you. Ask Mr. Armer?—I have asked very many people, and nobody can tell me. (Mr. *Armer.*) If you soften your water before it gets into the tank you are not within the proviso. You can draw it off at one tap only.

1000. Are there any further questions?—(Mr. *Kennard.*) I have framed an amendment to meet the point I have raised. I have supplied copies to the Committee. It was handed in last week. May I read it?

1001. It is rather cumbersome, is it not? It says this: " Provided further that if the undertakers are of opinion that the consumption of water by reason of the use of water softening apparatus is excessive "—what does that mean? Does it mean because you have got soft water you have more baths?—The reason was either taps being turned on and left on or other excessive use.

1002. You mean soft water is nicer to use?—Yes; my first point being that there should be a reason for altering the basis of the present assessment.

Lord *Teynham.*] My Lord Chairman, I want to say one thing. I do not like this minimum charge of 10s. at all, and I think there ought to be some provision for covering the use of water softeners for small domestic users. I do feel that.

Chairman.

1003. I think the proviso is an attempt to do that?—(Mr. *Armer.*) Yes.

Chairman.] I do not know whether it is sufficient.

Mr. *Edwards.*] Are not these people relieving the undertakers of part of their duty? Would not it be desirable that

softened water should be provided by the undertakers? I cannot see any difficulty.

Major *Mills.*

1004. Does that include meter rent?—I should think not. (Mr. *Fry.*) My Lord, the Ministry just stated that that does not include meter rent, and therefore I have a further hardship to complain of.

Chairman.] I think we might consider these points at the end of our proceedings. I think it is simple enough to bear in mind. If there is no other point on Clause 53, perhaps we might go on to Clause 54.

(*Clause* 53 *is postponed.*)

On Clause 54 of First Schedule.

Chairman.

1005. That is a very common provision, is it not: "Power to require supply for hose pipe to be taken by meter in certain cases"? We have had that very often?—(Mr. *Hill.*) There is nothing on Clause 54, my Lord.

1006. That has been in many local Acts, I think, has it not?—Yes, my Lord.

(*Clause* 54 *is agreed to, subject to further revision.*)

On Clause 55 of First Schedule.

Chairman.

1007. Now Clause 55?—(Mr. *Hill.*) It was suggested to us that by reason of local legislation Local Authorities have got such power of control over camping sites that Sub-section (2) was not required, and the Ministry agree with that view.

1008. Is there anyone here who represents the Camping Committee?—(Mr. *T. T. Blyth.*) Yes, my Lord. It is my amendment which the Ministry kindly put forward. I am representing the Camping Committee. This amendment to omit Sub-section (2) was suggested by the Committee to the Minister, and it was agreed it was entirely covered by the Act of 1936.

1009. Does that meet you?—Yes. (Mr. *Hill.*) Leave out Sub-section (2) at the top of page 51, line 1.

Chairman.] The Question is that Sub-section (2) on page 51, line 1, of Clause 55, be omitted. That meets the views of the Camping Committee. Is that agreed?

(*The same is agreed to.*)

(*Clause* 55, *as amended, is agreed to, subject to further revision.*)

On Clause 56 of First Schedule.

Chairman.

1010. Now we come to Clause 56?—(Mr. *Hill.*) There is no amendment on that, my Lord.

(*Clause* 56 *is agreed to, subject to further revision.*)

On Clause 57 of First Schedule.

Chairman.

1011. Now we come to Clause 57?—(Mr. *Hill.*) There is a drafting amendment on page 51, line 30, my Lord.

Chairman.] Page 51, line 30, after "rate" insert "or instalment of the rate." Are there any observations on Clause 57?

(*The amendment is agreed to.*)

Chairman.] The Question is that Clause 57, as amended, stand part of the Schedule.

(*Clause* 57, *as amended, is agreed to, subject to further revision.*)

On Clause 58 of First Schedule.

Chairman.

1012. Now we come to Clause 58: Page 51, line 34, leave out "annually"; line 44, at end insert "(2) A water rate made under this Section, or in force under any enactments relating to the undertakers immediately before the coming into operation of this Section, shall, unless and until a new rate is made, continue to operate in respect of each successive period of twelve months." Page 52, line 8, leave out "with respect to water rates on small tenements"; line 24, leave out "a small tenement" and

11° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. Harris, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. J. K. Swales, M.Inst.C.E., Mr. Arthur Collins, Captain C. W. Ellen, Mr. J. F. Haseldine, Mr. A. W. White, Mr. R. H. Tolerton, C.B.E., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, Mr. Percival M. Selby, Mr. H. S. Townend, Mr. Roy Snell, Mr. Leslie Knopp, Mr. Patrick Howling, Mr. Leonard R. N. Percey, Mr. Harry Kennard, Mr. G. F. Fry, Mr. R. G. Doyle, and Mr. T. T. Blyth. [*Continued.*

insert "any premises"?—(Mr. *Hill.*) My Lord, the first two amendments are designed by the Ministry to meet objections which have been raised by certain Local Authorities who said they did not want to have to make a new water rate every year if they were not going to alter the charges. They wanted the rates to run from year to year unless there was some alteration. It seems a reasonable request to leave out the word "annually," and the insertions at the end of line 44 are intended to meet that point.

1013. There are two amendments on page 51: Line 34, leave out "annually"; and in regard to the proposed amendment in line 52, of course, this will have to be brought up at Report and considered. Is that agreed provisionally?

(*The same is agreed to.*)

Chairman.

1014. Then line 44, at end insert "(2) A water rate made under this section, or in force under any enactments relating to the undertakers immediately before the coming into operation of this section, shall, unless and until a new rate is made, continue to operate in respect of each successive period of twelve months"?—(Mr. *Hill.*) Yes, my Lord, that is the second part of the amendment; they will go together.

(*The same is agreed to.*)

Chairman.

1015. Now, page 52, line 8, leave out "with respect to water rate on small tenements"?—(Mr. *Hill.*) Those are both drafting amendments due to the fact that a previous Section which once related only to small tenements is no longer quite so narrow, and therefore the words are not correct.

1016. Leave out "with respect to water rates on small tenements" on page 52, line 8.

(*The same is agreed to.*)

Chairman.

1017. Those drafting amendments are agreed to. You will bear in mind the question of bringing it into line with Clause 52?—I did not gather what the amendment was, my Lord.

1018. The first amendment you propose—leave out "annually"?—That is not affected.

1019. If it is affected by anything in Clause 52—?—It is not.

1020. Then it does not matter?—No.

(*Clause* 58, *as amended, is agreed to, subject to further revision.*)

On Clause 59 of First Schedule.

Chairman.

1021. Now we come to Clause 59: Page 52, line 2, leave out from "retrospectively" to end of Sub-section and insert "as from the date when the proposal was made and, notwithstanding anything in the last preceding section with respect to the equality of instalments of a water rate, any necessary adjustments shall be made in the then current instalment of the rate and any subsequent instalments or rates"?—(Mr. *Hill.*) My Lord, this is an attempt to meet the difficulty or suggestion put forward by, I believe, the water undertakers as to the date as from which an alteration should take effect when there is an alteration in the assessment of the house. I do not know if anybody has any objection to it.

1022. Is that objected to?—(Mr. *Pritchard.*) My Association asks for it. (Mr. *Haseldine.*) I agree, my Lord.

(*The amendment is agreed to.*)

(*Clause* 59, *as amended, is agreed to, subject to further revision.*)

(*Clauses* 60, 61 *and* 62 *are agreed to, subject to further revision.*)

Part XIII.

On Clause 63 of First Schedule.

Chairman.

1023. Now we come to Clause 63. There is an amendment there: Page 54, line 23, leave out "apply only" and

insert " not apply "; line 24, leave out " for domestic purposes " and insert " by meter "; line 39, at end insert " or reverberation in pipes "?—(Mr. *Hill.*) My Lord, these first two amendments are intended to provide that these bye-laws as to water taps and other fittings should not apply to a supply by meter where it is the concern of the man himself if his taps run water to waste. I think that is the short point.

1024. Are there any observations or questions? There are two amendments?—The first two, my Lord.

Chairman.] Are there any objections or observations?

(*The first two amendments are agreed to.*)

Chairman.

1025. Now, line 39, at end insert " or reverberation in pipes "?—(Mr. *Hill.*) My Lord, that is to insert some words to ensure that washers or taps are not to be so defective as to cause what I believe is commonly called " water hammer ", a noise one sometimes hears in pipes.

Mr. *Levy.*

1026. Is a penalty imposed if it occurs?—They may cause the water fittings belonging to that person which are not in accordance with the requirements to be repaired or replaced. They have a right to proceed for a penalty if the fittings are in contravention of the bye-laws.

Chairman.] Is that agreed?

(*The third amendment is agreed to.*)

(*Clause 63, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 64 OF FIRST SCHEDULE.

Witness (Mr. *Pritchard.*).] My Lord, I have an amendment. May I read out my amendment. It is not in my Memorandum. On page 56, lines 14 and 15, delete the words " which is situate on land " and insert the words " in which water is required to be supplied." Then in the same line a little bit later on substitute " forty " for " fifty." The object of that, my Lord, is this: The Clause enables undertakers to require a cistern to be provided in new houses which are erected on land which is at a higher level than 50 feet below the draw off level, and the object of our amendment is to take the height of the houses into consideration rather than the land on which the building is to be placed, because it does not matter what the bottom storey of the house is. The important thing is the part of the house to which the water is to be supplied. For that reason, because we are asking for the house to be taken into consideration, we suggest that we could not fairly ask for 50 feet. We come down to 40 feet.

Chairman.

1027. Are these words in private Bills, local Acts?—Private Acts vary considerably according to the particular circumstances.

1028. Yes; but this does not cut across that principle?—No.

1029. That is the point I want. I know they vary; but this does not upset that?—In my submission, this is a convenient formula to have as a standard from which you will vary, if necessary, in particular circumstances, my Lord.

1030. What do you say, Mr. Hill?—(Mr. *Hill.*) I think probably this is a simpler case, because, as I understand it, the test here is the cistern into which the water is to be poured from the pipe.

1031. You would accept it?—I would suggest that after the words " in which water is required to be supplied " we should add the words " at a point which is at a higher level." (Mr. *Pritchard.*) Yes.

Lord *Faringdon.*

1032. Surely 40 feet below that level is not the same thing as 50 feet from the foundation of the house?—It must vary.

1033. The point is it is putting it down because very few houses are only 10 feet high?—(Mr. *Armer.*) The effect of the amendment might be to increase it to 75 feet.

Chairman.

1034. This affords a convenient medium line which could be varied in a case of special circumstances?—(Mr. *Pritchard.*) Yes, it will vary, as it does at the moment. At the moment it varies in different Acts according to circumstances.

1035. You have to get a flat rate. The Ministry of Health, I think, accept the amendment, and they suggested another amendment, and the Municipal Corporations accept that?—Yes, we accept that. (Mr. *Swallow.*) May I point out that the words which Mr. Hill has suggested must mean the point of supply, and the Water Company do not supply the water at the consumer's cistern; they supply it at the stop cock in the street, which brings you back to the same defect as in the Clause as printed. I do suggest that Mr. Pritchard's amendment should be accepted. Mr. Hill's amendment, if accepted, would have the contrary effect to that which he desires.

Chairman.] I think the best plan would be for you to bring out that rather small point and get an amendment on those lines.

Lord *Faringdon.*

1036. I do think there is a point here in this business, that they have in fact added 25 feet, according to the Ministry of Health, to the distance below the level. I do not know if the Ministry of Health approve of that. I do not think I personally should. (Mr. *Armer.*) There are 75 feet in a number of local Acts.

1037. But you are by those amendments allowing them to push that up to 75 feet?—Seventy, perhaps, would be the nearer figure—40 plus 30.

1038. In point of fact their figure ought to read 20 and not 40, and it would have the same result?—Yes; but there are precedents for up to 75 feet.

1039. But the Ministry of Health did in point of fact suggest 50?—The Drafting Committee selected 50 as being more common.

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

1040. If we accept this amendment the figure should not read 40, as suggested, but 20?—Yes.

Chairman.

1041. You want to get a generally acceptable line, do you not?—Yes, my Lord.

Chairman.] May we leave it that you should settle the exact point, and we can see what they do consider to be a generally acceptable line, and when they bring it up on the Report I think that would meet Lord Faringdon's point?

Lord *Faringdon.*] Yes.

Chairman.] We could alter it if necessary then.

(*The same is agreed to.*)

(*Clause 64 is postponed.*)

(*Clauses 65 and 66 are agreed to, subject to further revision.*)

ON CLAUSE 67 OF FIRST SCHEDULE.

Chairman.

1042. On Clause 67 you have an amendment: Page 57, line 40, after " undertakers " insert " otherwise than by meter."?—(Mr. *Hill.*) This is the same point, that where someone is paying for water by meter it is his own lookout whether his tap is wasting water or not. (Mr. *Pritchard.*) My association instruct me to object to this amendment. Your Lordship will see the Clause relates not only to waste of water but also to misuse of water, and my Association regard it as a matter of vital importance that they shall be entitled to enter premises, whether there is a meter or anything else, to see whether there is any misuse of water. My Lord, this Clause is complementary to Clause 90, which comes later in the Bill, which gives to undertakers the right to enter for certain purposes. Now, in those cases the undertakers have to give 24 hours' notice, and my Association are asking in that case that in cases of emergency we shall not have to give the 24 hours' notice.

1043. That is in Clause 90?—Yes, my Lord.

1044. Shall we consider that point on Clause 90 and leave this point until we consider Clause 90, because this is really a consequential amendment?—If my amendment is accepted on Clause 90 I need not press my objection to this, but if not my Association attach great importance to this.

1045. Then I think we had better defer it?—If your Lordship pleases.

Chairman.] I think probably the Committee would wish to take that course.

(*The amendment is postponed.*)

(*Clause* 67 *is postponed.*)

(*Clause* 68 *is agreed to, subject to further revision.*)

On Clause 69 of First Schedule.

Chairman.

1046. Now we come to Clause 69, "Penalty for waste, etc., of water by non-repair of pipes, etc." There is one amendment: Page 58, line 37, leave out "twenty-four" and insert "forty-eight"?—(Mr. *Hill.*) I am not quite sure whether the Municipal Corporations or the County Councils Association ask for the extension of the time from 24 hours to 48 hours. It is the time which a man has to carry out necessary repairs, and, if he does not do it, the undertakers can do it for him at his expense. (Mr. *Pritchard.*) We do not ask for that. We do not mind it.

Chairman.] Does anybody object to this? If not, the question is that the amendment be agreed to.

(*The amendment is agreed to.*)

(*Clause* 69, *as amended, is agreed to, subject to further revision.*)

On Clause 70 of First Schedule.

Chairman.

1047. Now we come to Clause 70. There is an amendment there: Page 59, line 6, leave out "or uses" and insert "uses or diverts"?—(Mr. *Hill.*) I think this amendment was asked for by the Waterworks Association. It is a Section which penalises a man who, not being supplied with water by them, takes or uses water from their pipes or reservoirs, and they wish to add the words "or diverts." (Mr. *T. T. Blyth.*) It is fourth on the list I gave you, my Lord. If your Lordship looks at the Clause, it is No. 3 on page 8.

1048. "Or, being a person temporarily visiting such owner or occupier, requires the water for his own personal use or consumption." You want to add that. Mr. Hill, do you agree?—(Mr. *Hill.*) I do not quite know where those words are intended to go in.

1049. At the end?—At the end of Sub-section (1): "shall be liable to a fine not exceeding five pounds, or, being a person temporarily visiting"—it does not seem to me to read. (Mr. *T. T. Blyth.*) No: "requires the water for the purpose of extinguishing a fire, or is a person supplied with water by the Undertakers but temporarily unable, through no default of his own, to obtain water, or, being a person temporarily visiting such owner or occupier, requires the water for his own personal use or consumption." (Mr. *Hill.*) It does not come in at the end. I understand now, but if it comes in at the end of Sub-section (1) it does not read.

1050. On page 59 it runs like this: "or is a person supplied with water by the Undertakers but temporarily unable, through no default of his own, to obtain water, or, being a person temporarily visiting such owner or occupier, requires the water for his own personal use or consumption." It means to say that the visitor should be included?—(Mr. *Hill.*) The comment I would make upon this is that you cannot deal with every case and that you really must trust the Magistrates and the people administering the law not to attempt to bring within such a Clause as this a man who gives a glass of water at his door either to a tramp or to a hiker. That is really what it comes to.

1051. *De minimis,* in fact?—(Mr. *T. T. Blyth.*) *De minimis* to a tramp, I agree. We have had cases where a farmer was prosecuted for supplying water

11° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. Harris, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. J. K. Swales, M.Inst.C.E., Mr. Arthur Collins, Captain C. W. Ellen, Mr. J. F. Haseldine, Mr. A. W. White, Mr. R. H. Tolerton, C.B.E., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, Mr. Percival M. Selby, Mr. H. S. Townend, Mr. Roy Snell, Mr. Leslie Knopp, Mr. Patrick Howling, Mr. Leonard R. N. Percey, Mr. Harry Kennard, Mr. G. F. Fry, Mr. R. G. Doyle, and Mr. T. T. Blyth. [*Continued.*

to a caravan, and I do not say it happens often, but it is the sort of thing we think we ought to be protected against. After all, this is 1939, and to put on the Statute Book legislation simply saying: "We know it cannot be worked, but the Magistrates will not enforce it," is very bad. I think Mr. Hill is underestimating his abilities if he says he cannot devise something to make the law really in accord with what it is intended to meet. I do think we want this protection. (Mr. *Hill.*) "being a person temporarily visiting such owner": really, is it necessary to say that the householder may supply water to a person who is visiting him? Those are the opening words of it. Surely this ought to be left to the common sense of the people who have to administer the Act.

Mr. *Levy.*

1052. Does it mean that if when I am caravaning I get into a field and I go and borrow some washing-up water, the farmer is committing an offence when he gives me the water?—It means, I think, that if any officer of the Water Works Authorities was so foolish as to issue a summons against him the case would certainly be dismissed without any costs. That, I think, is the answer to it.

1053. But, forgive me if I am wrong, the Magistrates very often say: "We are not here to use discretion; we are only here to administer an Act, and if Parliament have put up a wrong Act, that is their fault." But the point I am asking is this: If there are people caravaning, as there are to-day—many of them touring Scotland and all over the country—and they get permission to draw into a field, and then they go to the local farmer and buy their eggs and borrow water for boiling their tea, the question I am asking is: If that takes place, according to this Act is the farmer committing an offence?—Theoretically I think he is.

1054. Is not that bad?—May I point out the one great difficulty one is always up against: If we try to meet one individual case, then people look round and think: "This is something else which is equally deserving, and that has not been met," and then they say: "That other man is intended to be punished." That is the real thing.

Chairman.

1055. But really, if you read it absolutely meticulously, it would prevent anybody who came to stay with you having a bath. I do not know that it is necessary to amend it. Supposing somebody comes and says his radiator is empty, it would stop him turning on the tap to fill it. I think this needs a little looking into. All sorts of difficulties might arise. After all, a man must be allowed to control the water in his own house. What have the Water Companies to say about that?—It is old law, 90 years old.

Lord *Teynham.*] My Lord Chairman, I suggest this might be dealt with by a simple redrafting of this Clause.

Chairman.] Yes. People can, after all, use the water in the house for reasonable purposes.

Mr. *Edwards.*

1056. Would you consider a caravan calling and filling up their tank more serious than the wastage on the softeners?—(Mr. *Haseldine.*) I think so far as one caravan is concerned no water undertaking in their senses would take any notice, but you will, as you travel up and down the country, see notices in certain places in the country reading "Accommodation for Caravans," and there may be a time when you may find 50 or 60 caravans parked in a farmer's field. Those are cases which I think ought to be properly dealt with.

Mr. *Levy.*] That means that all those hikers and all this "Keep Fit" Campaign which is going on, and which we all agree is a right and proper thing to do, will all be committing offences if this is not redrafted as my Lord Teynham says.

Chairman.] I think the addition of the word "unreasonable" or something of that sort might possibly meet it.

Major *Mills.*

1057. In the case of camping in a place, would not that be met by making the landlord, so to speak, take it by meter?—If one had the power to do so; if one could say he was carrying on a trade, one could put him on the meter; but you have to supply water for domestic purposes, and one might have very great difficulty. (Mr. *T. T. Blyth.*) That is met by the earlier Section.

Chairman.] I think the views of the Committee have been expressed, and one wants to have some safeguard against people making unreasonable use of this Clause. We are all agreed that as it stands it might be made unreasonable use of. I think you must put in some words to cover that.

(*The amendment is postponed.*)

(*Clause 70 is postponed.*)

(*Clauses 71 and 72 are agreed to, subject to further revision.*)

ON CLAUSE 73 OF FIRST SCHEDULE.

Witness (Mr. *Hill*).] There is an amendment there: Page 60, line 7, leave out "written." That is drafting.

Chairman.] The Question is that the drafting amendment be agreed to.

(*The amendment is agreed to.*)

Chairman.

1058. Then there is this amendment: Line 9, leave out from "undertakers" to "shall" in line 10 and insert "or to a supply pipe, or makes any alteration in a supply pipe or in any apparatus attached to a supply pipe."?—(Mr. *Hill.*) My Lord, this is a slight alteration of the wording in order to bring in the words, "alteration . . . . in any apparatus attached to a supply pipe."

(*The amendment is agreed to.*)

Chairman.

1059. Line 12, leave out "pipe which has been so."?—(Mr. *Hill.*) That is darfting, and is consequential on the previous one.

(*The amendment is agreed to.*)

Chairman.

1060. Line 18, leave out "railway" and insert "undertaking."?—(Mr. *Hill.*) That really, I think, is a slip. It is for the purposes of their undertaking, which is the usual expression.

1061. That is a drafting amendment, I think?—Yes.

(*The amendment is agreed to.*)

(*Clause 73, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 74 OF FIRST SCHEDULE.

Chairman.

1062. Now we come to Clause 74. There is one amendment: Page 60, line 28, after "consumer" insert "who has not obtained the consent of the undertakers."?—(Mr. *Hill.*) This is almost a drafting amendment: it is just put in to make it clear that if the undertakers like to entrust the alteration of a meter to their consumer they are at liberty to do it.

(*The amendment is agreed to.*)

(*Clause 74, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 75 OF FIRST SCHEDULE.

Chairman.

1063. The first amendment is on page 60, line 46, leave out from the second "and" to end of line 1 on page 61, and insert "may insert in any street, but as near as is reasonably practicable to the boundary thereof"?—(Mr. *Hill.*) This is a rather long amendment. It was necessary to alter the language. The intention was to provide that the stop-cock should be as near as is reasonably practicable to the boundary of the street. I think it was asked for by the highway authorities.

1064. Is there any objection to that?—(Mr. *Haseldine.*) No.

(*The same is agreed to.*)

Chairman.

1065. The next amendment is on page 61, line 3, leave out "stop up" and insert "obstruct"?—(Mr. *Hill.*) I do not know who asked for this alteration of "stop up" to "obstruct." I am told it was the highway authorities.

Chairman.] It does not seem to be very important. I think we can agree to "obstruct."

(*The same is agreed to.*)

Chairman.

1066. The next amendment is on page 61, line 12, leave out "15" and insert "fifteen"?—(Mr. *Hill.*) That is merely printing; I wanted to get it on the notes.

(*The same is agreed to.*)

Chairman.

1067. Then on page 61, line 15, leave out "mains" and insert "pipes"?—(Mr. *Hill.*) That is done at the request of the gas undertakers.

(*The same is agreed to.*)

(*Clause 75 of First Schedule, as amended, is agreed to, subject to further revision.*)

ON CLAUSE 76 OF FIRST SCHEDULE.

Chairman.

1068. The amendment is on page 61, line 28, after "any" insert "spring"?—(Mr. *Hill.*) In another place we have the collocation of words "spring, stream, aqueduct or other waterworks," and we thought it was better to put in the word "spring" here so that they might tally. I do not think it makes any difference.

Chairman.] That is really drafting.

(*The same is agreed to.*)

(*Clause 76 of First Schedule, as amended, is agreed to, subject to further revision.*)

(*Clauses 77 and 78 are agreed to, subject to further revision.*)

ON CLAUSE 79 OF FIRST SCHEDULE.

Mr. *Pritchard.*] I have an amendment on this Clause. It is very short. I do not know whether your Lordships need trouble to look at the Memorandum. At the top of page 63, line 1, leave out "seven" and insert "six." The object of the amendment is to provide a maximum dividend of 6 per cent. instead of 7 per cent. I appreciate that this rate of dividend will not apply for all time, and that whenever in the future companies promote their Bills or Orders, they will make such necessary modifications; but this will be the datum point and it will be said that Parliament in 1939 was of opinion that 7 per cent. was the appropriate rate. In the submission of my Association, a water undertaking which has a monopoly is a safe investment, and 6 per cent. is a more appropriate rate than 7 per cent.

Chairman.

1069. What do you say Mr. Armer?—(Mr. *Armer.*) We have no objection if the Committee wish to alter it. 7 per cent. is now common form. I should point that out. (Mr. *Haseldine.*) Will you hear Mr. White on this point?

1070. Certainly? — (Mr. *Pritchard.*) Might I finish what I was going to say?

1071. Yes, please?—I was just going to say that it may be objected that as long as the auction clauses are inserted which provide that a company must issue its stock on auction clauses, it does not make very much difference, but the time will come, if you put too high a rate, when the premium at which the stock is issued will be so great that the auction clauses will not be doing their work properly, that is to say, that 7 per cent. is unduly high. It is not necessary for any water company now to offer shares at 7 per cent. in order to get their money. They can get their money at 6 per cent., and we ask the Committee to reduce this to the more appropriate figure of 6 per cent.

1072. Now, Mr. White?—(Mr. *White.*) The question of premiums that has just been mentioned is not very important as between 6 per cent. and 7 per cent. There would be a substantial premium on a stock that was issued at either rate. I am going to suggest to your Lordships that 7 per cent. is the best rate to have in everybody's interest.

1073. Are you supported by Private Act precedent?— It has been the usual rate in most of the Acts of Parliament for many years. That being the case, most of the water companies have a

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

7 per cent. maximum ordinary dividend stock to-day, and if you are going to make these companies issue their future capital at 6 per cent., it is going to increase their working expenses in this respect: It means that they have to have separate share registers, separate share dividend warrants and separate records entirely. That is going to increase the cost of preparing all their work in relation to dividends and interests and transfers, the cost of which will be borne by the consumers of course. Moreover, there is this aspect of it: 7 per cent. is a rate which affords a very decent sort of margin between the rate at which a company is authorised to pay its dividend and the rate at which it must pay a dividend to have its prior charges a trustee security. If a water company pays on its ordinary stock a dividend of 5 per cent. for a period of 10 years, its prior charges, that is to say, the preference stocks and debenture stocks, are trustee securities, and it is very desirable in the interests of consumers and everybody that that trustee status of water companies should be maintained. In any crisis or time of emergency that arose when dividends come down—and they do come down in water companies; in the last Great War they came down very substantially—the greater is the chance of a company losing its trustee status if the maximum dividend is 6 per cent. than if it be 7 per cent. as proposed in the Bill. Once again, if a company loses its trustee status, it is the consumers who pay in the long run.

Chairman.] Seven per cent. is the precedent. I do not know whether the Committee would wish to make a change. Would the Committee like to defer this until the end when we might have a talk about it.

(*The same is agreed to.*)

Clause 79 of First Schedule is postponed.

On Clause 80 of First Schedule.

Chairman.

1074. The first amendment is on page 63, line 27, after "next" insert "but one"?—(Mr. *Hill.*) The first amendment is purely drafting, and is necessitated by the re-drafting of Sub-section (4).

1075. We will leave that. Go on to Sub-section (4) please. This is the suggested Sub-section (4): "(4) Whenever, and so long as, the aggregate amount standing to the credit of the reserve fund and contingency fund together amounts to (or, by reason of such a transfer as aforesaid, exceeds) a sum equal to fifteen per cent. of the capital expenditure theretofore incurred by the undertakers for the purposes of their undertaking, no contribution from the profits of the undertaking shall be made to either of the funds, and the interest and dividends on the funds shall not be invested but shall be treated as income of the undertaking"?—(Mr. *Hill.*) I do not think this Sub-section alters what was intended by the original Sub-section (4), but there is undoubtedly a question of policy raised on it. (Mr. *Swallow.*) May I address the Committee on a point that arises earlier on Clause 80, the Committee's decision on which will affect the form which Sub-section (4) takes? The proposal I have to submit is that on page 63, Sub-section (3), line 39, the figure of 15 per cent. should be reduced to 10 per cent. I am afraid there is a good deal of history attaching to this matter, and I hope the Committee will bear with me if I refer in the first place to the existing statutory provisions affecting water companies, and then I want to put in a statement indicating or extracting paragraphs from the reports of certain Departmental Committees which are relevant in this connection. In the first place, water companies, whether they are statutory or not—in other words, whether they are statutory companies or limited companies—have the power of Section 76 of the Waterworks Clauses Act, 1847, enabling them to establish a maximum reserve fund of 10 per cent. of their nominal capital. But—and this is very important—no contribution to that reserve fund can be made unless the maximum dividends have been paid

11° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. Harris, Mr. C. E. C. Browne, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Mr. J. K. Swales, M.Inst.C.E., Mr. Arthur Collins, Captain C. W. Ellen, Mr. J. F. Haseldine, Mr. A. W. White, Mr. R. H. Tolerton, C.B.E., D.S.O., M.C., Mr. G. Mansfield, Mr. C. C. Powell, Mr. Percival M. Selby, Mr. H. S. Townend, Mr. Roy Snell, Mr. Leslie Knopp, Mr. Patrick Howling, Mr. Leonard R. N. Percey, Mr. Harry Kennard, Mr. G. F. Fry, Mr. R. G. Doyle, and Mr. T. T. Blyth. [*Continued.*

and all arrears. That fund, when formed, is applicable "to answer any deficiency"—I am reading the exact words—"which may at any time happen in the amount of divisible profits, or to meet any extraordinary claim or demand which may at any time arise against the undertakers."

Sir Francis Fremantle.

1076. Which undertaking are you referring to?—To all water companies whether they are statutory or limited.

1077. You say in all of them they have paid off all their arrears?—Unless they have done that they cannot form a reserve fund.

1078. I should doubt that?—There is no question about it. The wording is quite clear. I did not read the particular words, but it is Section 76 of the Act of 1847. The Section commences with these words: "If the clear profits of the undertaking in any year amount to a larger sum than is sufficient after making up the deficiency in the dividends of any previous year as aforesaid, to make a dividend at the prescribed rate"—I see the point that is being made. That is the general law, but it has been qualified and amended in many respects by Local Acts. So that that Section has the effect I have indicated, unless it is modified by Local Acts. I am coming to that point later. Those companies which are statutory companies have also the powers of Section 122 of the Companies Clauses Act, 1845, authorising them to establish what is called a contingency fund, but the important point in that connection is that a contingency fund cannot be formed except out of surplus revenue which is available for dividends, and my submission is that unless the Directors of a company forego the right to a particular dividend, they cannot apply any sum to a contingency fund. The wording of that Section is: "Before apportioning the profits to be divided among the shareholders, the Directors may, if they think fit, set aside thereout such sum as they think proper to meet contingencies or for enlarging, repairing or improving the works connected with the undertaking, or any part thereof, and may divide the balance amongst the shareholders." Those are the two funds. Before I deal with Local Act variations, I want to hand in, if I may, some extracts from various reports of Departmental Committees and Joint Committees of both Houses, dealing with these two funds. (*The same are handed in.*) These are a series of extracts. The first is from the second report of the Legislation Sub-Committee of the Advisory Committee on Water, dated September, 1929. Paragraph 97 is "Limits" "In assessing"——

Chairman.

1079. I do not think you need read it all through. We have it before us. Will you call attention to the words?—May I pick out the last sentence of that paragraph, a little lower down: "The aggregate limit has been fixed in accord with the more usual formula, at one-tenth of the capital for the time being expended by the undertakers for the purposes of the undertaking." That means the two funds to which I have already referred combined; that is the reserve fund under the Waterworks Clauses Act, and the contingencies fund under the Companies Act, 1845, combined, with a maximum of 10 per cent. In the next paragraph they say it is necessary to prescribe a limit to the amount which may be allocated to them in any one year. "Again the current formula is adopted. The limit is set at 1 per cent." Paragraph (*b*) sets out an extract from the Appendix to the last mentioned report, and Clause 47, which I need not read, entirely supports the amendment I am now submitting to the Committee, that is to say a maximum of 10 per cent. for the two funds, and an annual contribution of 1 per cent. That is 10 years ago—1929. Then in 1934-5—this is paragraph C of the Memorandum—the two Houses set up a Joint Committee on Water Resources and Supplies.

1080. That is on page 4, is it not?—No, page 3, at the bottom of the page.

The Joint Committee was set up and that Committee devoted themselves mainly to questions of underground water and compensation water, but their Terms of Reference were wide enough to include matters connected with the consolidation of the Waterworks Code. You will notice at the bottom of the page, the Committee resolved " That a Memorandum crystallising the possible points of controversy should be prepared by the Ministry of Health and circulated to all parties likely to be interested, to enable the Committee to hear evidence in criticism after the Recess." There came the end of that Session, and during the Recess the Ministry of Health circulated amongst the interested bodies a Memorandum crystallising, as the Committee said, the points at issue between the various interests concerned, and at the top of page 4 your Lordships will see, paragraph 38, that is the Ministry of Health's own proposal in 1934: " A limit of 1 per centum of the capital for the time being expended to be placed on the total amount which water undertakers may carry in any one year to the reserve and contingency funds, and a limit of 10 per centum of the capital for the time being expended to be placed on the two funds taken together." I do not think I need deal with the rest. Paragraph E merely sets out the conclusion which the Joint Committee, as reconstituted in the following Session, reached on this Memorandum. The Urban District Councils Association, whom I represent, put this proposal before the Ministry of Health in connection with the present Bill, and on the 23rd June the Ministry wrote us in reply saying this: " The Ministry is unable to accept these amendments. The figures of 15 and 1½ " (the 1½ appears also in Clause 80; that is on page 64, line 4. The two figures run together because it is assumed that you would accumulate your fund in ten years and obviously, if the maximum is 10 per cent. the annual appropriation will be 1 per cent.) " were included because they appeared to the Minister to be a reasonable compromise between the various figures now appearing in Local Acts." I have made a careful analysis of the Local Act provisions during the last ten years, and there are no less than 24 precedents in the ten years for the amendment which I am putting forward.

1081. And how many against?—There are eight precedents for 20 per cent.—that is double—and there are one or two cases where a maximum has been fixed separately for each fund, but not necessarily for both.

1082. You say there are eight precedents for 10 per cent. and two——?—There are 24 precedents for 10 per cent. as a maximum and eight precedents for 20 per cent. The other cases are halfway houses. Some of them have 10 per cent. on the reserve fund without any limit on the contingency fund, and others have limits on the contingency fund without dealing with the reserve fund. I should like to hand in another statement. (*The statement is handed in.*) That is a complete list of the cases in which 10 per cent. has been fixed, based on the capital expenditure, although there are other cases in which the amount of share capital issued has been taken into consideration. I think the Ministry clearly overstated the position when they suggested that 15 per cent. is a compromise between the various figures which have been allowed—in the last few years, anyhow. I have gone back ten years. I want to make this further submission, that whilst there are cases in which more than 10 per cent. has been allowed, wherever the matter has really been considered by the local authorities concerned, and discussed fully between the local authorities and the companies concerned, then the discussion has invariably led to an agreement being reached that the maximum should not exceed 10 per cent. There are cases prior to 1929, when my Table starts, in which higher figures have been allowed, but in most of those cases the matter has not been fully considered. Now I will ask the Committee to look at the last few items in this statement. The last four Orders Clevedon, Tonbridge, Wisbech, and Yeadon, were all made by the Ministry of Health

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

themselves. That is the clearest possible evidence that apart from the conclusions of the Advisory Committee, the Ministry of Health, at any rate until 1937, were of opinion that 10 per cent. is the proper maximum figure.

1083. 1937 is the last. Are there none later than that?—I have stopped at 1938, because I did not think it right to include 1939 cases which are not through.

1084. It is not that there is a change of policy or anything?—No. In 1938 the point arose only in one case—of Canterbury. That is complete up till 1938, but it does not include 1939. There is in fact an Order which has been made by the Ministry of Health this Session—the South Kent Water Order—in which they have proposed a maximum of 10 per cent. although in two other Orders which I have discovered—Corsham and Newhaven—of this Session, the maximum is 15 per cent. Your Lordships may think it desirable to refer to other undertakings, not necessarily water. There really is little difference between the need for a reserve fund in the case of a water undertaking and the similar need in the case of an electricity undertaking. Now Parliament has legislated in regard to both gas and electricity. In the case of gas the model Bill of the House of Lords contains a clause dealing with what is called in that case, The Special Purposes Fund. It is distinct from the fund now proposed to be set up by Clause 80 in this respect, that it does not deal with the question of equalisation of dividends. The Special Purposes Fund is confined to extraordinary claims and demands, and things of that kind, and the model Bill provides in that case for a maximum of 10 per cent. on the paid up capital. There is another fund called a reserve fund in the case of gas companies, which is designed to equalise dividends, but it can only be formed out of divisible profits; in other words, the company can only form the reserve fund by abstaining from dividing monies in one year, so as to lay them by for a lean year to come. In electricity it is a matter of general legislation. There is no restriction at all on electricity reserve funds so far as they are set up by Companies, but there is a maximum amount in the case of local authorities to be found in the Electric Lighting Clauses Act, 1899, of 10 per cent. of the capital expenditure of the local authority. In the case of London—that is the one principal exception in the case of electricity—where, as your Lordship remembers in 1925 the whole of the London electricity supply was re-organised as regards charging powers, standard prices, and so on, the two Acts dealing with London electricity provide for a Contingency or Special Purposes Fund equal to 10 per cent. of the paid up ordinary and preference capital. I suggest that those two cases of gas and electricity and the recurrence of that maximum of 10 per cent. are very helpful in reaching a conclusion as to what figure should be included in this Clause 80, but my suggestion is—although I am not asking for a maximum lower than 10 per cent.—that the need for a higher reserve fund in the case of a water company is not so great as in the case of gas and electricity, and for this reason, that a very much larger proportion of a water company's assets are buried under ground than is the case as regards the assets of a gas or electricity company. In the case of water mains you never get overhead mains like you do in the case of electricity. Many water companies' assets are confined largely to wells which are underground, and where you get substantial assets of a water company on the surface of the ground—say a reservoir—they are usually in remote country areas, free from any liability during emergency periods, Parliament has specially legislated for the safety of reservoirs by requiring in 1930 periodical inspection by an experienced engineer. For those reasons the Urban District Councils Association—and I shall be followed by other Associations who support me—strongly urge that the practice which, as I suggest, has always been adopted whenever there has been

a contest or dispute, should be followed in this case, and that the maximum reserve fund should not exceed 10 per cent. In this case, of course, I am representing the consumers entirely. No divided interest affects my argument in this case, and I should add that 10 per cent. very closely approximates in the case of nearly all companies to one year's revenue. I suggest that one year's revenue is quite a sufficient sum to put away to reserve fund. If your Committee make the figure higher—supposing you adopt the figure of 15 per cent. —it means that the Company can put away for a rainy day one and a half year's revenue. We suggest that one year's revenue is sufficient, and that as water companies have almost invariably funds now, which are less than 10 per cent., the effect of increasing this 10 per cent. to 15 per cent. will be to delay the possibility of a reduction of charges. (Mr. *Swift.*) My Lord, the County Councils Association considered this matter quite independently from the other two Associations which are represented, and they also ask you to reduce the percentages in Sub-sections (4) and (5) of Clause 80 to 10 per cent. and 1 per cent. respectively. I should like to adopt the argument of my friend Mr. Swallow, and to call upon Mr. Harris of W. B. Keen and Company to give evidence on the financial aspect. (Mr. *Harris.*) I am of opinion that the limitation suggested by Mr. Swallow on behalf of the Urban District Councils Association of 1 per cent. on the capital expenditure as an annual contribution to the fund with 10 per cent. on the capital expenditure as the maximum amount to be in the two funds together at any one time is a right and proper limitation.

1085. May I ask one question. I do not want to interrupt you, but the Central Advisory Water Committee has reported on this. You have seen their report have you not?—Yes.

1086. I imagine you gave evidence before them?—Not personally.

1087. The Associations were represented, were they not?—(Mr. *Swift.*) I was not representing the Association on that occasion.

1088. They were represented?—I have no instructions on that point. (Mr. *Armer.*) They were represented. (Mr. *Harris.*) Primarily, these two funds, the reserve fund and contingency fund, are required for two purposes, (1) the equalisation of dividends, and (2) for meeting extraordinary claims and contingencies. So far as the equalisation of dividends is concerned, I should like to make reference to the fact that water companies have the right to carry forward on their revenue account a sum which may be equal to a full year's dividend at the maximum authorised rate. That is in the nature of an additional reserve fund which can be used for the purpose of equalising dividends. So far as contingencies and extraordinary claims are required, I suggest that a modest sum is necessary for that purpose. In this connection too there is no requirement in the Clause which makes it obligatory upon the companies to charge either contingencies or renewals to the fund. The companies are left free to charge the whole of their contingency expenditure and their renewal expenditures to revenue and to set aside this additional sum as well, to be provided by the consumers. I take the view very strongly that the amount which the companies should be allowed to set aside annually to reserve and contingency funds should be the lowest sum which is reasonably necessary, and in accordance with the large number of precedents to which Mr. Swallow has referred, leaving individual undertakers, whose special circumstances may be such as to justify a higher figure, to apply specially for that power. There is one point I should like to mention in connection with what Mr. Swallow said. He referred to certain precedents where 20 per cent. has been allowed. I think I am right in saying that in those cases—comparatively few cases—the 20 per cent. is calculated only on share capital, excluding the loan

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

capital, and therefore is on a figure considerably below the capital expenditure on the undertaking. (Mr. *Pritchard.*) On behalf of the Association of Municipal Corporations, we support the amendment which has been moved by Mr. Swallow and which is also supported by the County Councils' Association. I do not think I need take up the time of the Committee in going into this matter further. You have heard the arguments.

1089. Yes, we have had it put very ably to us, I think?—The only thing I might do is to put in a statement prepared by Mr. Collins, giving you same typical companies with some typical figures. (*The Statement is handed in.*) May I say one other thing? Your Lordship referred to the recommendations in the second report of the Central Advisory Committee on Water which refers to a figure of 15 per cent. Your Lordship will see that that is 15 per cent. on the capital expended. I am not quite sure, but that may well mean the share capital and not the share capital and the loan capital.

1090. I am afraid the Members of the House of Commons have to go because there is a Division. We will break off the business now, before we hear your side, until next time. Do not you think that would be more convenient?—(Mr. *Haseldine.*) If you please.

(*Clause 80 of First Schedule is postponed.*)

Chairman.

1091. We cannot finish to-day. Mr. Hill and Mr. Armer, what about the second round?—(Mr. *Armer.*) We are ready.

1092. All right. Is everybody else ready? Any day would suit you?—Yes.

1093. Is there any difficulty about any day?—(Mr. *Pritchard.*) Can you tell us when it would be?

1094. No, we cannot until our House of Commons colleagues come back. Mr. Armer, how long do you think you will take with the next stage?—(Mr. *Armer.*) Less than a day.

1095. Not very long?—No.

1096. Have you very much more in regard to this Bill? There is something on Clause 90 is there not?—It is a small point on Clause 90. This is the last of the contingencies points.

1097. After we have done this?—(Captain *Ellen.*) The point on Clause 90 is, from my point of view, a very big one.

1098. It cannot take very long, and if Mr. Armer says he is in agreement mainly on the points outstanding, we ought to be able to finish in a day, ought not we?—(Mr. *Armer.*) Yes.

Chairman.

1099. We will clear the room because our colleagues will be returning soon. But do not go because we have these points on Clause 53 and Clause 79.

(*The Witnesses are directed to withdraw.*)

(*After a short time Mr. Tolerton is again called in.*)

Chairman.

1100. Last time, the Committee will remember, we had before us the question of the Breaking up of Streets Report—the Carnock Committee—and we discussed as to whether we should take into consideration the recommendations of that Committee, and whether we should introduce into this present Bill amendments implementing certain or all of their suggestions. We said we first wished to hear the Ministry of Transport as to what their intention was in regard to the question of implementing that Committee's report. If you will kindly turn to page 123 of the shorthand notes of last time and Question 787, right at the bottom of the page, you will see I announced at some length the decision of the Committee, which was that, in view of what the Ministry of Transport said, we would not consider, or take into consideration, the report of the Joint Committee. This was based on what was told us by the representative of the Ministry of Transport. The Ministry of

Transport gave us an assurance. He is here again to say that he had not been in the room when we were discussing the matter, and he wishes to modify that assurance?—(Mr. *Tolerton.*) I wish to clarify it. As I understood the purport of the question you directed to me at the last meeting, it was to receive from me an assurance that the Minister of Transport genuinely proposed to do something about the recommendations of the Carnock Report. I had not then read the earlier proceedings before this Committee. I have since read them, and it is for that reason I approach you now, because I feel an unhappy apprehension that, quite unwittingly, I may have misled the Committee as to the intentions of my Minister. This is what the Minister proposes to do. He hopes that as the result of the recommendations of the Carnock Committee, it will be possible to devise provisions, probably in the nature of standard clauses, for incorporation in future Orders and Private Bills. Then your Lordship mentioned legislation. I had no hesitation in giving an assurance about legislation too, because it is the Minister's intention to introduce a Highway Law Consolidation Bill, which will include provisions dealing with the breaking up of streets. What in particular made me anxious to appear before the Committee again was a reference in Question 791, where you make use of the expression " drastic and far-reaching amendments may be made later." As your Lordship knows better than I do, the Consolidation Bill, which is the legislation I had in mind when I spoke to the Committee before, cannot include anything in the nature of " drastic and far-reaching amendments." In actual fact, the Terms of Reference to that particular Committee are: " To examine the existing law relating to highways," and other things, " and to prepare one or more Bills codifying the law with such amendments as may be desirable to secure simplicity, uniformity and conciseness." When I came to read the record of the earlier proceedings before the Committee, and looked at the report by the Joint Committee on the Breaking-up of Streets, I came across certain paragraphs on page 23 of that report, which made me think that possibly your Lordship's questions were based on those paragraphs.

1101. What we wanted to know was whether you were going to bring in a Bill to implement the Breaking-up of Streets Act in all its particulars?—I could not give that assurance.

1102. If that is the case, that very much modifies the statement which was put before us. I think the Committee will agree that we certainly understood that a comprehensive scheme of reform was to be introduced at an early date. In those circumstances, I do not think we can carry it much further to-day, but we shall have your statement printed in the notes, and at some future date we shall have to reconsider the whole of our decisions on this point, because they were all based on the fact that we understood from you that you were going to bring in a comprehensive reform?—The Minister has not considered it.

Chairman.] I do not think we can carry it any further to-day. We had better leave it till next time and then consider what we are going to do on the subject.

(*Mr. Tolerton is directed to withdraw.*)

(*The witnesses are again called in.*)

(*In the absence of the Earl of Onslow, Sir Francis Fremantle takes the Chair.*)

ON CLAUSES 53 AND 79 OF FIRST SCHEDULE.

Sir *Francis Fremantle.*] On Clause 53 of the Schedule, it is agreed in line 5, on page 50, to strike out the words " subject, however, to a minimum quarterly charge of 10s. od." In line 13, on page 50, delete the words " can be drawn off into a receptacle at one point only and ". We recognise that those changes may involve certain consequential amendments, but rather than make them ourselves, we thought it would be better for the Departments concerned with those interested should consider what consequential amendments are necessary, and bring them up on our second round. The next decision is on page 63, Part XV, Clause 79. On page 63, line 1, instead of the words " seven per cent." read " six per cent." The Committee will meet again at 11 o'clock to-morrow morning.

11° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. HARRIS, Mr. C. E. C. BROWNE, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. R. H. TOLERTON, C.B.E., D.S.O., M.C., Mr. G. MANSFIELD, Mr. C. C. POWELL, Mr. PERCIVAL M. SELBY, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. LESLIE KNOPP, Mr. PATRICK HOWLING, Mr. LEONARD R. N. PERCEY, Mr. HARRY KENNARD, Mr. G. F. FRY, Mr. R. G. DOYLE, and Mr. T. T. BLYTH. [*Continued.*

(*The Witnesses are directed to withdraw.*)

(*Ordered that this Committee be adjourned till to-morrow morning at 11 o'clock.*)

DIE MERCURII, 12° JULII, 1939.

Members present:

Earl of Onslow.
Viscount Bridport.
Lord Teynham.
Lord Faringdon.
Sir Francis Fremantle.
Mr. James Griffiths.
Mr. Levy.
Mr. Medlicott.
Major Mills.

The EARL OF ONSLOW in the Chair.

Sir FREDERICK LIDDELL, K.C.B., K.C. (Counsel to Mr. Speaker) attends the Committee.

Mr. G. R. HILL, C.B. (Parliamentary Counsel Office); Mr. I. F. ARMER, M.C. (Ministry of Health); Mr. C. B. MARSHALL (Parliamentary Agent) (Central Landowners' Association); Mr. G. N. C. SWIFT (County Councils' Association); Mr. H. E. SWALLOW (Parliamentary Agent) (Urban District Councils' Association); Mr. HUGH WENTWORTH PRITCHARD (Parliamentary Agent) (Association of Municipal Corporations); Captain C. W. ELLEN (Federation of British Industries); Mr. T. G. SEAGER BERRY (Parliamentary Agent) (Sheffield Corporation and Sunderland and South Shields Water Company); Mr. J. F. HASELDINE and Mr. A. W. WHITE (British Waterworks Association and Water Companies Association); Sir GEOFFREY COX, C.B.E. (Parliamentary Agent) (Catchment Boards Association); Mr. L. J. H. HORNER (Parliamentary Agent) (Canal Association); and Mr. C. H. WHITELEGGE (Parliamentary Agent) (Main Line Railway Companies and London Passenger Transport Board) are called in and examined as follows:

Chairman.

1103. After we cleared the room yesterday, Mr. Tolerton, of the Ministry of Transport, came in. You will remember he made a statement the last time but one when we met. Would you turn to page 124, Question 791, of the Third Day, just to refresh your memories. Mr. Tolerton said: " I can give you that assurance without hesitation." That was that they were going to bring in a Bill to deal with the breaking up of streets. Then he came back to us, and if you take yesterday's Shorthand Notes, you will see on page 167, Questions 1100, 1101 and 1102, he made a considerable modification of that statement. I do not think we can carry it any further to-day. I will not read that out because you all have it. The Committee feel, subject to anything that may be said on the second round, that we should say that this procedure, that was suggested by Mr. Tolerton yesterday, is rather a

disappointment, and we feel that it is urgently necessary that they should get on with this question of reform in the matter of transport and give consideration to the Carnock Committee's Report. I do not think we can carry the matter any further, and I do not suppose that we can use the recommendations of this Report for anything, because few people have had an opportunity to study it. But still we do think that the matter should be taken in hand at an early date. That is what we want to impress upon them. Have you any statement to make on Clause 52, Sub-section (4), or are you going to leave that until we come round again?—(Mr. *Armer.*) We have agreed on that and I thought we would take it on the second round, if that pleases your Lordship.

Chairman.] Very well.

On Clause 80 of First Schedule.

Mr. *Swift.*] My Lord, before the water undertakers and the Ministry of Health reply on Clause 80, might I read to you a short extract from the Proceedings on the Newquay and District Water Bill, 1937?

Chairman.

1104-5. What are you dealing with?—Clause 80—Reserve and Contingencies Funds. The Ministry of Health Representative, Mr. Hawton, spoke to the Committee dealing with the Newquay Bill in 1937 as follows: "May I make the position quite clear on that, Sir. This is an issue of amount. It is for that reason that the Minister regards it in a Bill of this kind as a matter of evidence of need upon which he cannot properly comment in a Report before the evidence has been heard"—then comes the significant passage—"If it is of any interest to the Committee, the Minister's own view on these clauses as general clauses is that the combined limit of 1 per cent. and the 10 per cent. for the two funds collectively, namely, the limit recommended in the Advisory Committee's Report is the preferable one, and that is the practice which he follows when the same point arises in water Orders in which he has the jurisdiction to decide, but it is in the case of a Bill so much a matter of evidence that he never does more than draw the attention of the Committee to the fact that there are slightly more precedents for the practice which he himself favours. There may always be special evidence and it makes it a little difficult for him. I do not think it is fair to add anything more than that from the Minister's point of view." The matter of the reserve and contingency funds is a matter of great moment to the consumers, because if an excessive amount is put away, there is so much less money available for the reduction of charges. What the Associations are asking you to do is to put down 10 per cent. and 1 per cent. annually as standard for this Bill at the present time, but that that shall not preclude the Water Companies, when they are getting their Provisional Orders, from coming to the Minister or to Parliament and saying, "In our case this may not be equitable; we want a little more." But in the same way as you made the standard rate of dividend in this set of Clauses 6 per cent. instead of 7 per cent., we do ask you not to put it too high in this Clauses Bill and we contend that 10 per cent. and 1 per cent., for which there are numerous precedents, is reasonable as a standard at the present time. (Mr. *Haseldine.*) My Lord, the Water Associations feel that the present is not the time to cut down the working margins of the water companies, and so strongly do we feel on this matter that we have retained Mr. White, than whom nobody has greater experience on this particular matter, to address you on this particular subject, and I will ask you to be good enough to hear him. (Mr. *White.*) The question of funds for water companies is probably the most important financial question that arises in this Bill. I want shortly to say why these funds are needed, what are the purposes of the funds. In the first place, funds are needed to maintain the dividends of the company. The maintenance of dividends in water companies is as essential for the consumers as for anybody. As I mentioned to the Committee yesterday, the prior stocks of water companies are trustee securities if a company has been able to maintain a dividend of 5 per cent. on its ordinary stocks for a period of 10 years, and if a company loses that trustee status by reason of its dividend being reduced only in one year, the cost to the consumers may be as much as ½ per cent.

12° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. E. Swallow, Mr Hugh Wentworth Pritchard, Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. J. F. Haseldine, Mr. A. W. White, Sir Geoffrey Cox, C.B.E., Mr. L. J. H. Horner, and Mr. C. H. Whitelegge. [*Continued.*

or 1 per cent., according to current circumstances, when next the company goes to raise capital. It may even make this amount of difference, and has in fact made this amount of difference in times gone by, that if a company has lost its trustee status it may find it almost impossible to raise capital at all in times of emergency. It is very important, I submit, in the consumers' interest as much as the company's, that the company should be able to maintain their dividends. Now it may be said that these are water companies who are selling a commodity which is one of the necessities of life, and they are not subject to quite the same fluctuations and risks as an ordinary commercial company. That is true but, at the same time, the water companies are subject to fluctuations and risks. If trade is bad, the sale of water by meter is reduced and the company shares in a trade depression. If there is a drought—and droughts do occur now and again—the expenses of the company increase heavily, the demands for water are increased, and the costs of carrying on the undertaking are more expensive, and dividends are easily prejudiced by such considerations. It is, therefore, important that the company should have something as a reserve for the equalisation of dividends from time to time, when abnormal circumstances arise. That is the first need that I urge on behalf of these funds. The second need is extraordinary claims and demands. Practically every statutory company is allowed a fund of some kind or other to meet extraordinary claims and demands. The sorts of thing I have in mind are expenses arising from strikes, civil commotion, war, A.R.P., accidents, explosions, bursts, and with water we are dealing with a commodity as to which, if you do have an accident, there may be serious consequences, which involve the company in substantial loss, and it is very desirable in everybody's interests that a company should have something in reserve against that sort of contingency. Both of those reasons, which I have given already, were referred to yesterday somewhat shortly by the local authorities. The third and principal reason for which a company requires funds was hardly mentioned yesterday, and that is that a company needs to have provision in its funds to meet renewals and heavy expenditure on renewals which arise from time to time. The plant and machinery of water companies wear out the same as every other type of plant and machinery. Their pipes need renewal. How often the renewals are needed in respect of pipes may depend upon the nature of the soil or the nature of the water, but they do in fact wear out. In some cases the pipes corrode and have to be replaced for that reason. But every water company in this country does need to have renewal funds to meet renewal costs, as and when they arise. One might observe in passing that if a company is to be permitted to set aside a sum of 1 per cent. on its capital expenditure, as is suggested by the local authorities, that necessarily envisages an average life—if we are dealing with this fund purely from the point of view of renewals—of 100 years for its assets. Now the life of the assets of a water company is nothing like 100 years on average—nothing like. The pipes might last 40, 50 or 60 years and they may, in some cases, last 80 years; it depends upon local circumstances, but the pumping machinery wears out far more quickly than that; there has been a controversy in recent years in relation to the type of pumping machinery that is used by water companies. In the old days we used to have large beam engines which engineers used to say would go on for ever, and they did almost; they went on for 60 or 70 years very often, and ran very well, but in these days water companies are rapidly turning over to the use of electricity for pumping purposes, and the electricity plant and pumps will not work or last as long as the old type of pumps they used to use; the probability is that the electricity pumps will not last more than 15 or 20 years. Some may last 25. We have not too much experience as to the life of these electricity pumps, but we do know that it will be short. All electricity plant has a shorter life than the old sort of plant that water companies used to use. That is one change of circumstances which has to be borne in mind. So that the third need for funds is these renewals, and in passing, I say that the 1 per cent. as proposed by the local authorities is not

adequate to meet that one need, let alone the other two. Reference was made yesterday to the present law governing the powers of companies to set up funds, and it was suggested that under the Waterworks Clauses Act, 1847, companies could only form a reserve fund when they had paid all their arrears of dividends. That is a very extraordinary sort of suggestion to make, because whether a company has paid its arrears of dividend or not it is only wise and prudent for it to set aside a reserve fund, and I cannot believe that Parliament ever intended that a company was to be improvident and not to provide against contingencies, and not to provide for the maintenance of its dividend until it had paid off all its arrears. What the clause does say about arrears of dividends is that when a company has paid its arrears of dividends, it *shall* form a reserve, but it does not say that a company is not to do it before. (Mr. *Swallow*.) I do not know whether Mr. White is dealing with the law on this subject. If so, I should ask him to refer to page 31 of the Report of the Committee in which what he describes as an extraordinary position—it is at the bottom of page 31 of the Report—is dealt with by the Committee, and they have no doubt at all what the law is. They say: "The amendment suggested in (*b*)"—that is the discretionary power which Clause 80 of the Bill proposes—" strengthens the hands of the undertakers in building up reserves which, coupled with the provision for payment of dividends in arrears, assist to put undertakings on a sounder financial footing than is possible in many cases under the existing Code, under which a reserve may not be created until the full dividends, including arrears, if any, have been paid." (Mr. *White*.) I still beg to differ from Mr. Swallow and the Report on that point of law. What the clause does in fact say—and Mr. Swallow stopped at the word " shall " yesterday, when he was reading it out—is when a company has paid its arrears of dividends, it *shall* form a reserve fund, and that is the point of the clause. I am quite sure that Parliament never intended companies to be improvident or to be in such a position that they could not have a penny in reserve until they had paid all the arrears of dividends. I admit that in legal circles doubts have been expressed as to the exact meaning of the clause. The same applies to the other clause to which Mr. Swallow referred, but under that clause companies were entitled to set aside 10 per cent. of their nominal capital as a reserve against the first two items to which I have referred, namely, the equalisation of dividends and the extraordinary claims and demands. Under the Companies' Clauses Act, 1845, which applies to all statutory companies and not only to water companies, and which was passed before there were such things as a 10 per cent. limitation on dividends, or a 7 per cent. limitation on dividends, it was provided in Section 122 that companies before apportioning the profits to be divided may set aside a fund to meet repairs, renewals and enlargements —that sort of thing—and that fund was unlimited in amount. So that the existing law—irrespective of any differences of opinion as to whether a reserve fund can be formed before a company has paid its arrears of dividend or not—is that a company is entitled to a 10 per cent. reserve fund to cover the equalisation of dividends, and to meet extraordinary claims and demands, and to a contingency fund to meet repairs, renewals and enlargements, that fund being without limit. Those clauses apply to a very large number of companies in this country without amendment and without any restriction on the contingency fund. Since the war there have been innumerable contests in Committees of both Houses of Parliament as to limitations being placed on these funds. The Minister of Health has taken a view which was fairly accurately expressed by the County Councils' Association's representative, and consistently, the Minister has said a limit of 10 per cent. on these two funds; but, of course, since then this Advisory Committee has been going into the matter in detail with the Ministry of Health, and their views have been rather changed. But there are also very many precedents for the 20 per cent. which was spoken of yesterday. It is very difficult to place before the Committee exactly comparable statements as to what have been

12° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Sir GEOFFREY COX, C.B.E., Mr. L. J. H. HORNER, and Mr. C. H. WHITELEGGE. [*Continued.*

the decisions of the various Committees of Parliament, because the clauses have been drawn in different fashion. In some the limits have been expressed upon the nominal capital of the company, in some upon the authorised capital of the company, and in some upon the capital for the time being, in some upon the capital expenditure; and it is very difficult to draw a line between all of these, and to present to you a fair picture. But it has been said time after time before Committees by the Ministry of Health that one can say that between the larger funds and the smaller funds, for which the local authorities are asking to-day, the precedents can be said to be fifty-fifty, and I do not think that is very far out. I would also——

Mr. *Levy*.

1106. May I interrupt you for a moment. If we accept the view that there shall be a reserve fund, the whole point that arises is as to whether the common form clause should contain 10 per cent. or 15 per cent.?—Yes.

1107. The majority of them suggest that it should be 10 per cent. You are arguing for 15 per cent., and if you will confine yourself to justifying that—forgive me, I say it with very great respect—it would save time instead of going through the whole procedure of the water companies?—I am sorry if I have been wasting your time, but I will try to confine myself to essential points, if I possibly can. I did feel on behalf of the water companies that so many things were said yesterday, many of which were not complete, that I ought to deal with the matter at length in justice both to the consumers and the water companies themselves.

Lord *Teynham*.

1108. The point you seem to be making is that the object of having an increased limit to 15 per cent. over 10 per cent., is because water companies are now employing a different class of machinery that wears out more quickly?—That is one factor.

1109. Is that one of your main points?—That is one factor.

1110. I have that one factor, and I want you to tell me what your next factor is?—My next factor is that the 10 per cent. by itself is inadequate.

1111. For what reason?—In that it is inadequate to meet renewals alone.

1112. Renewals of plant, machinery and everything?—Yes.

Lord *Faringdon*.

1113. Surely the question of the ordinary renewals falling in, in any one year, will not reduce the amount that they can put to reserve. Their 1 per cent. can still be put to reserve after they have paid for these renewals. Renewals are, after all, things which occur in every business every year. It is ordinary wear and tear. Surely this fund is to meet sudden emergencies, some extraordinary breaking down which is quite unexpected?—No, it is far different from that. May I give you a concrete example that came before my notice only a few weeks ago. A water company with capital expenditure of approximately three and three-quarter million pounds came to me and wanted me to advise them as to what they should do, because they could see looming in the distance, the not too far distance, a renewal expenditure of £600,000 on one job. You cannot pay for that out of a year's income; one must build up funds to meet that sort of thing. It is imperative for the good conduct of these undertakings that satisfactory renewal funds should be in hand. You cannot pay for renewals year by year as you go along when you meet major renewals. You are going to renew a whole pumping station—that often arises —you are going to renew a pumping plant in a station.

Lord *Teynham*.

1114. Would you cover the renewal of your plant by writing it off as depreciation every year in your balance sheet?—We are not allowed to.

1115. You are not allowed to depreciate the value of your plant in your balance sheet?—It is not done in that way.

Mr. *James Griffiths*.

1116. You made a point of the change that has taken place over recent years. I think you cited a change, for example, from the old beam engine to a modern electric engine?—Yes.

1117. Would it be perfectly true that the modern electric engine depreciates more quickly than the old beam engine, but the companies know that when they put the electric engine in, and they put it in in spite of the fact that it depreciates much more quickly than the old beam engine. They put it in because they have weighed it up and appreciate that the cost of operating a new electric engine more than sets off the cost of depreciation as compared with the old system, so that is not an argument in your favour?—If you will forgive me, I venture to say it is, and for this reason. It is true that the installation of modern electric plant is more economical in its operation. The plant itself may be more economical to buy, and the running costs year by year are less, but unless I am allowed to set aside in the fund enough money to pay for the renewal of that plant when the renewal falls due, I cannot carry out the renewal.

1118. Are you putting any evidence before us to show that that point justifies the increase in the contingency fund for which you are asking, of 5 per cent.?—I am not saying that that one factor justifies the increase from 10 per cent. to 15 per cent. What I do say is that the 1 per cent. per annum to be set aside for renewals must of necessity envisage an average life of the assets of the water undertaking of 100 years.

Major *Mills*.

1119. Are any renewals paid for out of ordinary revenue in the course of a year? Do I understand that that is so?—Not substantial renewals. The plant is maintained and there is general maintenance. Supposing you have a pumping plant, you may have some parts of it that fall in for repair and renewal from time to time, but the day I am thinking of is the day when the whole thing has to be renewed, not just a small part which you would deal with by means of spare parts that you keep in stock. Those small renewals would be charged against the profits of each year, but when you come to substantial renewals you do need a fund.

Mr. *James Griffiths*.

1120. Would not it be better to use the term "replacement"—"complete replacement of the machinery"?—Yes.

1121. I suppose the ordinary day-to-day renewals in running would be done by the technical staff of the Company itself?—Yes.

1122. You mean a complete new engine?—I mean a complete replacement, a complete new engine—the thing has worn out and can be scrapped—or a whole length of pipe. Sometimes a Company has a whole length of trunk main which will need renewal. That is what the Company which came to me a short time ago was faced with; they had a renewal of £600,000 to meet. They could not pay for it out of one year; they had to set aside a fund.

Mr. *Levy*.

1123. If the common form was 10 per cent., and, under certain sets of circumstances, a certain undertaking desired to have 15 per cent., that undertaking would have a right to go to the Minister, and the Minister would obviously grant it. The whole point is whether as a basis—it is not rigid; it is elastic, subject to certain sets of conditions—the common form should be stipulated at 10 per cent. or 15 per cent. That is the point?—Yes. In my submission 10 per cent. would be inadequate for any water undertaking there is.

1124. That is not borne out by the precedents which we already have?—They are 50-50.

1125. Very well. That is a good proportion?—And in a number of others the companies are unlimited in the amount. On that question of precedent, might I say that a great many of the precedents on the lists that were put in front of you were obtained by local authorities opposing a company's Bill and, so to speak, holding a pistol at their heads and saying: "If you do not agree to this, which is the standard which the Ministry of Health has been applying, we shall involve you in costs in fighting you upstairs." There are a great many companies that are in these lists of precedents, which have been placed before you, who have accepted those terms rather than involve themselves in all the expenses of a fight upstairs. They are not quite fair. It is true the companies have accepted them, but in those circumstances; and it is not altogether a fair deal, I think, sometimes. Reference was made yesterday to other public utility undertakings. I know we are dealing with water, but seeing that reference was made to them, I think something further needs to be said. In the case of gas companies, we were told that they had a reserve fund which they may set aside out of the divisible profits. That is correct. They are also allowed to have a special purposes fund to meet extraordinary claims and demands of 10 per cent. on their capital, the capital including their loan capital. That is equivalent to the capital expenditure. But you were not told that they are also given a 5 per cent. renewal fund, and in some cases a 7½ per cent, renewal fund, so that the gas companies have 15 per cent. or 17½ per cent., and a reserve fund, which they may accumulate out of their paid-up profits. Electricity companies have practically no limits upon them at all. There are some that have limits. Railway companies have none, and in the case of the London Electric companies, which were mentioned yesterday, you were told that they may have a contingency fund to meet extraordinary claims and demands of 10 per cent., but you were not told that all of the London companies are paying out of revenue to redeem all their capital, and so provide for renewals.

12° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. J. F. Haseldine, Mr. A. W. White, Sir Geoffrey Cox, C.B.E., Mr. L. J. H. Horner, and Mr. C. H. Whitelegge. [*Continued.*

Mr. *James Griffiths*.

1126. Are you suggesting that the renewals bill of a water company is in any way comparable to the renewals bill of an electric company?—No.

1127. For its plant?—No, but what was said yesterday was that these electric companies have only got a reserve of 10 per cent. I say they have a reserve of 10 per cent. to meet extraordinary claims and demands, and they provide for their renewals without limit. They provide for the whole lot, and quite rightly too, because the circumstances are not the same. There is one other class of precedent which was not mentioned yesterday and that is the local authority that has a water undertaking. Not a word was mentioned about them yesterday, and that is a little significant. They are allowed to have a reserve fund to meet extraordinary claims and demands of 10 per cent. and, like the electricity companies, they are allowed to provide for their renewals by writing off all their capital. That was not mentioned yesterday. So that what the local authorities are suggesting for water companies is that they should have a fund equal to the fund which is given them to meet their extraordinary claims and demands, but that in the case of water companies it has got to meet the extraordinary claims and demands, equalise dividends, and pay for the renewals. One other reference to precedents. The Newquay case was quoted and a statement read out as to what was said by the Ministry of Health. I think you might have been told that the Committee did not accept the views of the Ministry of Health. The position, therefore, is this: I come back to the three needs—equalisation of dividends, extraordinary claims and demands and renewals. In respect of extraordinary claims and demands most utility undertakings are given a 10 per cent. reserve for that alone. These companies must and should have, in the interests of the consumers, as well as themselves, an adequate reserve for renewals. My personal view is that the 15 per cent. which is put in this Bill is not high enough. That is my personal view. But the Water Companies' Association and the British Waterworks' Association have taken the line with the Ministry of Health that it is a fair compromise as between the unlimited funds which used to persist under the old law and the recent attempts at limitation of funds which have been made by Committees. After all, I think it is somewhat significant that although the Ministry of Health have been very largely responsible over a series of years for the 10 per cent. precedents, which have been put in front of you, it is the Ministry of Health themselves who have changed their opinion and who have come up to the 15 per cent. I do not put it any higher than, I think, that is a fair compromise. Personally, to be safe, and for the protection of the consumers—I emphasise "for the protection of the consumers"

12° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. J. F. Haseldine, Mr. A. W. White, Sir Geoffrey Cox, C.B.E., Mr. L. J. H. Horner, and Mr. C. H. Whitelegge. [*Continued.*

—I should have liked an even larger figure than 15 per cent. But I do not think there is a single water company in the country which can renew all its assets on a 1 per cent. contribution per annum, because the life of their assets is less than 100 years.

Sir *Francis Fremantle.*

1128. You are giving us a statement of your opinion that 10 per cent. is not enough and even 15 per cent. is not enough, but that percentage per annum is only the means of accumulating a reserve fund. You have not yet told us —at least I have not realised it—any facts to show that the fund as accumulated is insufficient. You are simply giving us your opinion that the means of collecting that fund is not sufficient. Cannot you give us some idea as to what kind of amount has been accumulated in this sort of way, what extent are the outgoings from it, and what extent are your reserves in comparison with your capital?—The 1 per cent. per annum that may be set aside can only accumulate up to a maximum of 15 per cent. in the fund, and that means that if one were using the fund, one could only contribute to it for a matter of perhaps 12 or 13 years. The interest would fill the fund up.

Chairman.

1129. As a matter of fact this table which we have here, as far as I can see, in the cases of Bristol, Colne Valley, Folkestone and so forth, the contingency fund does not in any case—except where there are two together—amount to 10 per cent. on the capital expenditure?—It would not because, you see, as you pay into the fund so you are taking out of it for renewals.

1130. Of course you are, but it is considerably lower, is it not?—Yes, it is lower.

1131. They do not seem to be short of money there?—From one point of view that rather supports my argument, because if you are setting aside a fund out of which you are to meet renewals, and if you are not setting aside enough per annum, you will not have too much in the fund. It is because the drain on the fund is greater than the fund can stand that the funds do not build up.

Mr. *James Griffiths.*

1132. Can you give any evidence to us that water companies that are already now limited to the 10 per cent. and 1 per cent. have met with grave difficulties?—Yes. There is the one case I put to you just now.

1133. We have a list here of a number that have gone through the House in the last 10 years—there are 20 or 30 here, I suppose—and the maximum is 10 per cent. What about these companies; are they meeting grave difficulties?—I think they will in due course.

Mr. *Levy.*] If they do, cannot they go to the Minister and ask for an increase?

Mr. *James Griffiths.*

1134. You have no definite evidence that any of these are now in difficulties?—I have not investigated any one of these cases in the light of to-day's circumstances.

1135. Does the Association, which you represent here this morning, speak for any of these?—I should think it speaks for most of them, if not all.

1136. You are unable to produce from your constituents evidence that the 10 per cent. which has been imposed upon them has placed them in very grave difficulties?—Because, I think, not sufficient time has elapsed to enable them to demonstrate that. Those are all very recent cases.

1137. One is 1929, which is 10 years ago?—Yes, but when the life of the assets of a water company are 30, 40, 50 and sometimes 60 years, it takes a longish period of time to test whether these things are working. You may easily run 10 or 15 years without any serious renewals arising. It is in the 21st or 31st year that something heavy crops up, as in the case I was mentioning just now of a company that had a heavy renewal of £600,000 to face. I rather fancy they are on that list.

1138. I agree it is only at infrequent intervals that any heavy charges come upon this fund. Is not that the reason why it has been fixed at 10 per cent?—No, I think not. I think it is because the position has not been thoroughly understood. It is the infrequency of these things happening which makes the necessity of having a large fund. It also makes it somewhat difficult to demonstrate. The company of which I am

12° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. E. Swallow, Mr Hugh Wentworth Pritchard, Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. J. F. Haseldine, Mr. A. W. White, Sir Geoffrey Cox, C.B.E., Mr. L. J. H. Horner, and Mr. C. H. Whitelegge. [*Continued.*

speaking is not on that list, but if a company has to meet a bill of £600,000 for a renewal, and its contingency fund is limited to £375,000, as it would be under the local authorities' suggestion, they are going to be in queer street when that day arrives, and that same sort of thing may happen with any water company. The local authorities, mind you, are providing for their renewals to the extent of 100 per cent. by redeeming their capital. (Mr. *Swallow.*) Might I say one or two words in reply? I want to deal with one or two observations which Mr. White has made, before the Ministry of Health reply.

Chairman.

1139. Yes, please?—The first is about Mr. White's illustration of the life of this fund. I am surprised he should have said what he did, and that was that a fund of 1 per cent. represented a life of 100 years. He simply multiplied the 1 per cent. by 100 and said that was 100 years' life. He omitted to tell you that an amount of 1 per cent. accumulating at interest would reach the 100 in 47 years not 100 years. (Mr. *White.*) Please—the fund is not allowed to accumulate for more than 15 years. It cannot accumulate for 47, and I did say that you pay into the fund for about 13 years and then the interest would fill it up to the 15 per cent. (Mr. *Swallow.*) Yes, but the fact remains that this fund is not designed to be put away and locked up in the bank. It is intended be be used and, I think, that is an almost complete answer to the observation which Mr. White has made. The fund is an accumulating fund, the interest on which, if the fund were unlimited—the 1 per cent. put away annually—would, in 47 years, amount to a sum equal to the total expenditure of the company. Therefore, the figure of life is 47 and not 100 years and that life can be realised if the fund is used and drawn upon for the purposes for which Parliament intended it to be. One other point. Mr. White referred, quite properly, to the reserve funds which local authorities are entitled to set up under special statutory enactments. I think the policy of Parliament in connection with those funds is clearly indicated by the fact that in the majority of cases when Parliament is dealing with a local authority's water undertaking, Parliament says: "You may fix the maximum amount of your own reserve fund." I can refer to innumerable precedents, in which, when dealing with reserve funds of a local authority, Parliament has said: "When the fund reaches the maximum amount which the local authority may from time to time prescribe, then the interest shall be applied towards the revenue of the undertaking." I think that is an indication that there is a clear distinction between the need for a maximum in the case of a company, and the need for a maximum in the case of a local authority. A local authority can judge for itself what is the right maximum, because it really does not matter. The local authority represents the consumers and ratepayers, and they are generally the same body, so that the local authority can decide what reserve fund they need, and Parliament has not normally interfered with their discretion even if they decide on 50 per cent. It appears to me that Mr. White's main criticism of the proposal we are putting before the Committee is that the provision for renewals is not adequate. The case he mentioned of a company having a capital of three and three-quarter million pounds being faced with an immediate liability of £600,000 is obviously an extreme case, but that company need not incur the whole of that expenditure in one year. He has not given us any details of the particular plant—— (Mr. *White.*) I am sorry to intervene, but the fact is that the company has to do that in one job. (Mr. *Swallow.*) I will dismiss that as an extreme case and one which can be dealt with by the company themselves in applying for the sanction of the Minister or of Parliament to a higher reserve fund, but in 99 cases out of 100, an amount of pumping plant which falls to be renewed represents a very small proportion of the total capital expenditure of the company, and by a judicious programme the company can renew parts of their plant every year, and put that charge direct on the revenue of the undertaking. If there are cases like that large company with three and three-quarter million pounds capital, that seems to me to be a case in which the company could fully justify coming to Parliament

and saying, " We have a specially difficult problem to deal with, because the probability of our expenditure in respect of pumping machinery is so great compared with our total capital, that we think we ought to be entitled to do what the gas companies do, and provide a special renewals fund for that machinery." That is invariably done in the case of gas companies, because there the bulk of their expenditure is in respect of retorts, gas holders, and things of that kind which are known to require renewal or, it may be, entire reconstruction at intervals. That is why gas companies are allowed automatically to set aside a small sum, not a big sum like this—not 10 per cent.—towards the cost of those renewals.

Lord *Teynham.*

1140. I understand from Mr. White that gas companies were allowed to put aside 15 per cent., but I understand from Mr. Swallow that it is really 10 per cent. only and 5 per cent. special renewals fund. Is that correct?—(Mr. *White.*) Not a special renewals fund.

1141. I want to know whether it is 10 per cent. and 5 per cent. separately?—In the case of gas companies the normal renewal fund has a maximum of 5 per cent. or 7½ per cent. The extraordinary claims and demands fund has a maximum of 10 per cent. That is provided for in the Gas Undertakings Act, 1934. (Mr. *Swallow.*) I think that is a complete answer to these special cases. If there is a special case where the machinery bulks large in the capital expenditure account, then it ought to be dealt with by means of a renewals fund, and not by means of this reserve fund. There is this point that has not been stressed, that although the present law in regard to equalisation of dividends is not quite clear, Clause 80 of the Bill, if passed in the form in which the Ministry of Health have put it forward, will cover all these various contingencies. It will cover the equalisation of dividends as well as various other matters like renewals, emergencies, contingencies and extraordinary claims. Therefore, the companies are getting a great advantage in being able to pool all their requirements, and cover them all by means of these funds. So I do strongly urge that in this case, just as the Committee did as regards the 10 per cent. guarantee on extension of mains realise that there were special cases, the model, the standard, or, as somebody said, the minimum, should be treated as 10 per cent., leaving companies to apply to the Ministry of Health or to Parliament in special cases for an increase. Of course, the Committee realise that they are not legislating now. They are not saying that 10 per cent. is the right figure. All they are being asked to do is something like Captain Bourne's Committee did two or three Sessions ago; they are asked to prepare a series of model clauses which can be applied by Parliament to particular undertakings. Whenever a party can show that their circumstances are abnormal, then they can automatically apply for more than 10 per cent.

Major *Mills.*

1142. Which part of the provisions in the section do you say enables the undertakers to do all they want?—Paragraphs (*a*) and (*b*) of Clause 80, commencing at line 16. There is no distinction. It is not two funds as at present under the general law. It is " a reserve fund for the purpose of making good any deficiency which may at any time occur in the amount of divisible profits "—that is dividends—" or meeting any extraordinary claim or demand which may at any time be made upon them "—and then (*b*)—" a contingency fund, for the purpose of meeting contingencies, or defraying the cost of renewing, repairing, enlarging or improving any part of the works forming part of the undertaking." It would probably be held to be two funds, but Parliament is not restricting the application of either except to the extent that they should put a total on the two funds together, and fix a maximum annual contribution to the two funds. (Mr. *Swift.*) Might I reply very shortly on three points? Firstly, Mr. White mentioned that I had not told your Lordships what was the result of the Committee's decision in the Newquay case. I was not concerned with that particular case. I read the extra to show the Ministry's opinion on clauses generally. So far as that particular case is concerned, if it interests your Lordships

12° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. J. F. Haseldine, Mr. A. W. White, Sir Geoffrey Cox, C.B.E., Mr. L. J. H. Horner, and Mr. C. H. Whitelegge. [*Continued.*

the Company got 20 per cent. and 2 per cent., but that was on the issued capital excluding the loan capital. That is quite a different thing from capital expenditure, of course, as about one-third of that capital is issued on loan. That is one point. Secondly, these companies which have agreed to limitations in the last 10 years are nearly all old-established companies which have been going on for many years without any limitations, and then they agreed to those limitations, or had them imposed upon them by Parliament, when they came for further powers, so that their plant is not necessarily all new plant put down in the last 10 years. Thirdly, I would ask the Committee to refer to page 11 of the Bill, Clause 8, lines 33 to 35. This clause deals with the power of the Minister to revise water rates and water charges. It says that the Minister shall not make any reduction unless he is satisfied about various things, and at lines 33 and 34 there occur the words " making good depreciation (in so far as provision therefor is not made by any such fund as aforesaid)." Obviously, Clause 8 contemplates that depreciation may be made good by these water companies apart from any renewals fund. I believe it is the fact that much depreciation is made good out of current expenditure, as it is with any properly conducted undertaking. Mr. White said that they were not allowed to make provision for depreciation.

Chairman.

1143. Now, Mr. Armer?—(Mr. *Armer.*) There is very little for me to say, I think. The Ministry in their practice have always attempted to follow Parliament in these things, and it has been a very difficult task because Parliament has changed its mind from year to year.

Mr. *James Griffiths.*

1144. The reverse is difficult sometimes?—In 1929, when the Advisory Committee reported, it was quite clear at that time that 10 per cent. seemed to be an average of the decisions of Parliament, but when we came down to 1939 it looked as if Parliament were departing from that practice, and you find in 1937 that out of five Bills then, three of them provided for 20 per cent. It is quite true that two of them were 20 per cent. on capital excluding loan capital, which is just about equivalent to 15 per cent. suggested in the Bill for all capital expenditure. It seemed to the drafting Committee, and the Ministry agreed with the view, that the 15 per cent. seemed to be what Parliament through their Committees regarded as satisfactory at the present time.

Mr. *Levy.*

1145. In those cases Parliament was dealing with specific undertakings?—Quite so, yes.

1146. In this case we are asked to put down a common form clause?—Yes.

1147. Which is quite different. I am suggesting that the common form clause should not be rigid, but elastic, because, as I said, in a particular case they could come either to the Ministry or Parliament for a revision or alteration. Therefore, if there is a 50-50 position, perhaps we ought to be careful in putting down sooner a minimum than a maximum, as is usually done, as you very probably know, in common form clauses?—Yes, except that the 50-50 does not apply to the last year or so.

Mr. *Levy.*] They happen to be special cases?

Mr. *James Griffiths.*

1148. I gather from what you said that there have been Bills recently before Parliament in which 20 per cent. has been allowed, but 20 per cent. upon the issued capital?—Yes.

1149. You are not suggesting any change of that kind here. Do not you think, therefore, that it would be very confusing to have the 15 per cent. put in here, which is merely rule of thumb. If Parliament allows 20 per cent. on the issued capital that would be equal to about 15 per cent. on the capital expenditure?—Yes.

1150. Do you think that is a wise procedure? Would it not be better to leave it at 10 per cent., and if there is any specific case let them go to Parliament and get the powers. It seems to me that the trend of Parliamentary decisions is that it would be better not merely to make a change from 10 per cent. to 15 or 20 per cent., but to change the basis upon which the charge is made

from issued capital to capital expenditure?—You could not infer that from the decisions of Parliament; they are so mixed. Of the cases I mentioned, two were 20 per cent. on capital excluding loan capital, and the other, 20 per cent. of the total capital expenditure. So there is no real guidance on that point from the Parliamentary decision.

1151. I presume there were specific difficulties or necessities in those cases, which induced Parliament to do that. Would not this still be met if we kept to this rule?—This clause would be incorporated in all new local Acts. I should have thought what the aim should be would be to get such a provision as needs altering on the least number of occasions.

Sir *Francis Fremantle.*

1152. May I ask you which you think will require altering on the least number of occasions, if we make it 10 or 15 per cent.?—I should have thought 15 per cent.

Lord *Faringdon.*

1153. Supposing we make it 15 per cent., it will be extremely unlikely that we shall have any applications for a 10 per cent. in that case?—You will still have local authorities approaching water companies, who have unopposed Bills, and saying, "If you do not agree with something less than 15 per cent. we shall oppose you."

1154. Do you consider the chances of getting the lower figure good, or not?—I should think in a case like that, the company will probably agree to the lower figure for the sake of having an unopposed Bill.

Mr. *James Griffiths.*

1155. Might I put it this way? That the difference to the companies of 10 per cent. and 15 per cent. is less than the cost of an opposed Bill. That is what it means, does it not? If a company says, "I have to make up my mind. I cannot get this 15 per cent. without going to Parliament, and getting a Bill opposed. The difference between 10 per cent. and 15 per cent. is not worth the cost"?—The difference between 10 and 15 per cent. does not go into the coffers of the company, but if they spent £1,000 on a Parliamentary Bill, that would be a loss to the company.

Mr. *James Griffiths.*] That shows that they do not attach tremendous importance to it. It is not a matter of life and death to them?

Lord *Teynham.*

1156. Perhaps you can settle this point for me as regards gas company legislation. I believe the reserve fund is 7½ per cent., and then there is a special renewals fund of 7½ per cent. too, and that can be obtained only by going to the Minister, can it?—The provision for a special renewals fund is in the Gas Undertakings Act, itself.

1157. Is there any reason why those provisions should not be in this Bill?—The drafting Committee did consider that, and it is because you find in the case of water a special renewals fund that they thought that an added justification for altering 10 to 15 per cent.

Chairman.

1158. There is one point you did not deal with, and that was the suggestion of Mr. Swallow in regard to the creation of a special fund?—I think Mr. Swallow's suggestion was that if they wanted a special fund they should get it from Parliament at the time of the introduction of the Bill?

1159. Yes, that was his point?—The drafting Committee thought of that, but their view was that instead of getting that special fund at the time, you should cover it by your 15 per cent. reserve and contingency fund.

Mr. *James Griffiths.*

1160. Would you deal with the point made by the representative of the County Councils' Association on Clause 8, lines 33 and 34?—Yes. The depreciation there is the day-to-day renewals and repairs that a company must provide for.

1161. Is that not the bulk of renewals—the day to day renewals?—No. These funds, as Mr. White pointed out, are designed to meet special cases of wholesale renewals.

Mr. *Levy.*

1162. Replacements?—Yes.

(*The Witnesses are directed to withdraw and after a short time are again called in.*)

12° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. E. Swallow, Mr. Hugh Wentworth Pritchard, Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. J. F. Haseldine, Mr. A. W. White, Sir Geoffrey Cox C.B.E., Mr. L. J. H. Horner, and Mr. C. H. Whitelegge. [*Continued.*

Chairman.

1163. The Committee have naturally considered the points, and they would like to say how grateful they are for the extremely clear arguments on both sides, which have assisted them in their task. On page 63, Clause 80, line 39, the Committee have decided to reduce the 15 per cent. to 10 per cent. and on page 64, to accept the amendment of the Urban District Councils' Association to reduce the 1½ per cent. to 1 per cent.

Mr. *Levy.*

1164. There is no difficulty in the machinery for enabling any special case to come to Parliament for an increase?—(Mr. *Hill.*) No, not the slightest. When the Committee embarked on this discussion on the merits, I had formally asked the Committee to make two amendments to Clause 80. They are really drafting amendments, and I would ask the Committee to make those amendments with the substitution of "10" for "15" in the new subsection (4).

Chairman.

1165. Yes. They are consequential?—No, they are not consequential. We should have moved these amendments in any case, apart from the discussion on the 10 and 15 per cent.

1166. Yes, I follow. The amendments are: Page 63, line 27, after "next" insert "but one" page 63, line 36, leave out subsection (4) and insert "(4) Whenever, and so long as, the aggregate amount standing to the credit of the reserve fund and contingency fund together amounts to (or, by reason of such a transfer as aforesaid, exceeds) a sum equal to 10 per cent. of the capital expenditure theretofore incurred by the undertakers for the purposes of their undertaking, no contribution from the profits of the undertaking shall be made to either of the funds, and the interest and dividends on the funds shall not be invested but shall be treated as income of the undertaking." Are those amendments agreed to?

(*The same are agreed to.*)

(Mr. *Haseldine.*) I take it that this decision of the Committee is without prejudice to the position that any individual undertaking may apply either to the Minister or to Parliament for a higher figure than you have decided?

Chairman.] I think that has been made clear from what Mr. Levy said just now. It is the flat rate, the ordinary rate, and if anybody wants any more they must go and ask for special consideration. That is the point.

(*Clause 80 of First Schedule, as amended, is agreed to, subject to further revision.*)

(*Clause 81 of First Schedule, is agreed to, subject to further revision.*)

On Clause 82 of First Schedule.

Chairman.

1167. You have an amendment down, Mr. Hill, and the amendment is: Page 64, line 40, at end add—"(2) No employee of the undertakers shall be required to become a contributor to any superannuation fund established under this section until the fund has been registered under the Superannuation and other Trust Funds (Validation) Act, 1927"?—(Mr. *Hill.*) Yes, and I hold in my hand another amendment from Mr. Seager Berry. I will take the amendment on the paper first, that is, to add a new subsection (2) at the end of the section. It is inserted at the request of the Treasury.

Chairman.

1168. Are there any questions? Is that agreed to?

(*The same is agreed to.*)

(Mr. *Hill.*) Mr. Seager Berry asks for an amendment to come in at line 31. The Clause gives power to establish and help the establishment of pension funds, and he suggests the insertion of a power to make arrangements with insurance companies to provide policies. That seems a very reasonable arrangement. I know it is carried out in practice in some cases. He has given me the words.

Chairman.

1169. We are just going to have it handed round. You agree to this amendment, do you not?—Assuming I have it in the words your Lordship has.

Chairman.] "(*c*) enter into and carry into effect agreements with any insurance

company or other association or company for securing to any such employee widow family or dependant such gratuities pensions or allowances as are by this section authorised to be granted."

Mr. *James Griffiths.*

1170. Will these words added there place an obligation on the company to enter into an arrangement with an insurance company to cover superannuation, or will they still have an option?—This is only powers in any case. It is not duty.

1171. Would it not be better to put the word "or" before the word "enter"?—No, it is all "and".

1172. "establish and contribute to superannuation funds for the benefit of their employees or enter into"—to get it clear that it is an alternative and not an obligation?—I should have thought it was preferable to put neither "and" nor "or" and leave them all purely optional.

1173. Would it not be better to put it in as a separate clause? I only want to reserve the right which I think is desirable. I have some experience of these funds. Sometimes it is better to have a cover by an insurance company; at other times it is better to do without it. I agree everybody who is drafting a scheme of this kind, ought to go into it very carefully, but they ought to have the alternative. I should like to see it placed as an alternative or placed as a separate clause. If you add these words on to (*b*) it might be given the interpretation that it is an obligation?—It is a separate paragraph.

Mr. *James Griffiths.*] Is it? I am sorry.

Chairman.] Is that agreed to?

(*The same is agreed to.*)

(*Clause 82 of First Schedule, as amended, is agreed to, subject to further revision.*)

On Clause 83 of First Schedule.

Chairman.

1174. The first amendment is at page 65, line 5, after "county" insert "and county district." At page 65, line 10, transfer this clause (as amended) to the body of the Bill after Clause 15?—(Mr. *Hill.*) The amendment is not drafting. The copy of the abstract of accounts is to be sent to every county district as well as to every county and county borough. I think that is perfectly reasonable. The Urban District Councils ask that this clause should be transferred to the body of the Bill so as to apply to all statutory water undertakers without the necessity for any special application of it.

1175. Do you object to that? You have no objection to that, have you, Mr. Hill?—No, the Ministry have no objection. (Mr. *Haseldine.*) The Waterworks Association have no objection.

Chairman.] Is that amendment and the transfer of the clause agreed to?

(*The same is agreed to.*)

(*Clause 83 of First Schedule, as amended, is agreed to, subject to further revision.*)

On New Clause 84 of First Schedule.

Chairman.

1176. After Clause 83, the suggestion is to insert three new clauses, Clauses 84, 85 and 86. We will take first Clause 84, which is: "84. *Notice of Discontinuance.*—A consumer who wishes the supply of water to his premises to be discontinued shall give not less than twenty-four hours notice to the undertakers."?—(Mr. *Hill.*) New Clause 84, I think, reproduces the existing position. It is a common Local Act form.

Chairman.] Is the new Clause 84 agreed to?

(*The same is agreed to.*)

On New Clause 85 of First Schedule.

Chairman.

1177. Now new Clause 85, which is: *Duty of undertakers to give notice of certain works.* "85. The undertakers before commencing to execute repairs or other work which will cause any interference with the supply of water shall, except in a case of emergency, give to all consumers likely to be affected such notice as is reasonably practicable and shall complete the work with all reasonable despatch"?—(Mr. *Hill.*) This is really a sub-section which we have removed from another part of the Bill and put into the general part of the Bill.

1178. We have already been through it, have we?—Yes.

12° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., [*Continued.*
Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H E. Swallow,
Mr. Hugh Wentworth Pritchard, Captain C. W. Ellen, Mr. T. G.
Seager Berry, Mr. J. F. Haseldine, Mr. A. W. White, Sir Geoffrey
Cox, C.B.E., Mr. L. J. H. Horner, and Mr. C. H. Whitelegge.

1179. I think you did tell us that?—(Mr. *Seager Berry.*) Before your Lordship passes this Clause, I do not know whether Mr. Hill is going to deal with a point. (Mr. *Hill.*) Yes. There is one word left out in line 2 which ought to be in, the word "material,"—"which will cause any material interference."

Chairman.] Yes. You will put that in in the second line. Is that new Clause 85, with that amendment, agreed to?

(*The same is agreed to.*)

On New Clause 86 of First Schedule.

Chairman.

1180. New Clause 80 is: *Power to prohibit use of hosepipes in case of drought.* "86. (1) If the undertakers are of opinion that by reason of an exceptional shortage of rain a serious deficiency of water available for distribution by them exists, or is threatened, they may prohibit as from such date as they deem necessary the use except for the purpose of extinguishing fires, of any water supplied by them and drawn through a hosepipe or similar apparatus. (2) The undertakers shall, before the prohibition comes into force, give public notice in two or more newspapers circulating within their limits of supply of the prohibition and of the date when it will come into force. (3) Any person who, after the date stated in the said notice, contravenes the said prohibition, shall be liable to a penalty not exceeding five pounds. (4) Where a prohibition is imposed under this section charges made by the undertakers for the use of a hosepipe or similar apparatus shall be subject to a reasonable reduction to be settled in case of dispute by a court of summary jurisdiction and in the case of a charge paid in advance any necessary repayment or adjustment shall be made by the undertakers." We have already had this referred to, have we not? This is the garden watering clause, is it not?—(Mr. *Hill.*) No. This is power to prohibit use of hosepipes in case of drought. It was referred to, but no decision was come to as to it, I think. We have been asked to put it in.

1181. I think it has been commonly used. Requests have been made in the case of drought to all garden owners not to use their hoses, and I do not think there has ever been any difficulty, has there?—I understand that it has appeared in one or two recent local Acts, but only recently.

Chairman.] Generally speaking, people have been asked not to use their hoses, and there has never been any trouble about it. I can remember when I was at the Ministry of Health it was first suggested by circular.

Mr. *Levy.*

1182. May I ask one question? The power here is to prohibit the use of hosepipes in gardens in times of drought. Of course, there is an annual charge for a water-tap and for a supply of water for use in a garden?—Yes.

1183. Does it ever happen, when a prohibition takes place, that any refund has ever been made to any consumer at any time with regard to it?—Yes.

Chairman.

1184. What is the definition of a "drought"? Common sense?—The undertakers decide that.

Mr. *James Griffiths.*

1185. If we accept this clause, it is now made a penal offence to use a hose where it has been prohibited by notices in the newspapers?—Yes.

1186. That is a new power, is it?—Yes. It is a recent local Act clause.

Chairman.] It has been in water Bills.

Lord *Teynham.*] I think there is an official definition of a "drought" is there not?

Chairman.] Who issues it?

Lord *Teynham.*

1187. I do not know who issues it?—It is 15 days without one inch of rain.

Mr. *Medlicott.*] Should we give power to the undertakers to restrict as well as to prohibit?

Chairman.] Will you answer that? I suppose they have power to do that? Sir Francis suggested that you should say "certain hours of the day."

Mr. *Medlicott.*] I meant restrict in point of time.

Major *Mills.*

1188. Would it be a good thing if we put in at the end of Sub-section (1) words to this effect: "making an

appropriate remission of the agreed charge, if any "?—That is in Sub-section (4).

1189. I beg your pardon?—The word "penalty" in the last line, in Sub-section (3) ought to be "fine."

Chairman.

1190. Will you make that alteration?—Yes.

(*The same is agreed to.*)

Chairman.] Is new Clause 86 agreed to?

(*The same is agreed to.*)

ON PART XVI.

(*Clauses* 84, 85, 86, 87, 88 *and* 89 *of First Schedule are agreed to, subject to further revision.*)

ON CLAUSE 90 OF FIRST SCHEDULE.

Mr. *Pritchard.*] I have an amendment on Clause 90. In the proviso at line 37, my amendment is to insert after the words "provided that" the words "except in case of emergency." The object of the clause is to enable water undertakers to enter premises for the purposes set out in the clause. The proviso requires 24 hours notice to be given for any entry as of right, and the object of my amendment is to except cases of emergency and to provide that in cases of emergency the undertakers may enter without notice.

Chairman.

1191. That has been in one or two private Bills, has it not?—In certain local Acts it has been provided. I do not know whether your Lordship wants me to develop the arguments.

1192. I think it is self-evident is it not? If you have an accident they want to come in and stop it. Do you see any objection to it?—(Mr. *Hill.*) I do not want to take objection to it, but I think I ought to point out to your Lordship, or remind your Lordship, that this power of entry clause was very carefully considered on the occasion of the Public Health Bill of 1936, which was the first of these Bills, and there was a very strong feeling on the Committee at that time that in the absence—probably in the day time—of the occupier, it was rather dangerous for anybody to go round and claim immediate entry into the house, and it was for that reason that in the Public Health Act, it was said that he was not to claim it as of right unless he gave 24 hours notice. It was a question of policy.

Chairman.] There was a good deal of argument on a subsequent occasion on an unopposed Bill Committee that if the occupier was away and the house caught fire they might not have a right to go in and put it out.

Mr. *James Griffiths.*

1193. A case of real emergency would surely be covered by notifying the police, and the police in the course of their duty have a right of entry anywhere, where it is necessary in the public interest. What kind of emergency do you envisage?—(Mr. *Pritchard.*) The two kinds of emergency which we particularly have in mind is (1) where water is running away in great quantities. That is dealt with in Clause 67, in respect of which, I entered a caveat to the amendment to that Clause.

Chairman.

1194. It was pointed out in one of these Private Bills that a man goes away, leaves his house empty and a tap running and the whole place gets flooded. They must go in, obviously, and turn the tap off?—(Mr. *Hill.*) They have only to go to a single magistrate and he can give them a warrant then and there.

Chairman.] They have got to catch a magistrate.

Mr. *James Griffiths.*

1195. He may be away too?—I do not wish to resist this. I thought it was my duty to point out to the Committee the object of this clause, which was to remedy the danger of allowing people to go when there are only women in the house, and say, "I am authorised by so-and-so to do something," and the ease with which an inspector of a water company can say, "It is true I ought to give notice, but this is a matter of emergency," of which he is the judge.

Major *Mills.*] And it can be fraudulently used, of course.

Mr. *James Griffiths.*

1196. Do you think it would be in the public interest not to allow a general clause of that kind?—I can see the dangers of permitting it, but the policy is not really for me.

12° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Sir GEOFFREY COX, C.B.E., Mr. L. J. H. HORNER, and Mr. C. H. WHITELEGGE. [*Continued.*

Chairman.] Can you think of something to safeguard the members against the criminal classes posing as a water inspector? I suppose that is the difficulty.

Mr. *James Griffiths.*] "Provided that admission shall not be demanded as a right."

Chairman.] Whom is he to get the permission from?

Sir *Francis Fremantle.*] Begin Clause 90 by saying, "Some duly authenticated document shall be his authority."

Chairman.] The trouble is when the occupier is away, and he simply marches in.

Sir *Francis Fremantle.*] A burglar can march in, but this clause says any authorised officer can.

Chairman.

1197. Perhaps you can think this over and put in some safeguards. It seems to me rather necessary that the water company should be able to get in for the occupier's own sake if the water is running down the staircase?—(Mr. *Armer.*) I think in view of what you say we would accept the amendment suggested.

Chairman.] Can you suggest some safeguard? You might leave it over till next time.

Mr. *Levy.*] Is there a penalty in the event of 24 hours' notice being given, and how are they going to deliver this notice, and to whom are they going to give it. I can conceive cases in the summer, where a house is shut up for two or three weeks at a time, and probably the address of the occupant is unknown. Does a notice slipped under the door or in the letterbox mean a penalty on the occupier when he comes back under certain sets of circumstances?

Chairman.] People constantly go away and leave their houses empty, very foolishly.

Mr. *Levy.*

1198. Yes, I do myself?—(Mr. *Pritchard.*) Is it the decision of the Committee that I should discuss this with Mr. Armer, or do you want to hear me further in support of my amendment?

Chairman.

1199. You get the best you can and let us consider it?—If your Lordship pleases. (Captain *Ellen.*) Before you pass from that amendment on Clause 90, the question of entry is one of considerable importance to us from the factory point of view, and that amendment was linked up with a previous amendment which has been moved to Clause 67. Would it be asking too much to ask your Lordships whether you intend to accept the amendment to Clause 67.

1200. You want us to go back to Clause 67?—I understand that the Association of Municipal Corporations do not wish to press their opposition to that amendment. (Mr. *Pritchard.*) I entered a caveat on that amendment when it was moved, because if the case of emergency is not excepted from Clause 90, I should ask the Committee, if they would hear me on the amendment to Clause 67. On the other hand, if Clause 90 is amended so as to except cases of emergency, I have nothing further to say on Clause 67. The amendment to Clause 67 limits that clause to cases where the water is not supplied by meter. I have nothing further to say on that if cases of emergency are excepted from Clause 90, and if, as I understand it, I am to discuss this matter with Mr. Armer to see if we can find a satisfactory settlement, I need not say any more.

Chairman.] I think, I speak subject to correction by my colleagues, that we might ask you to consider this point of entry, make it as safe as you can and submit suggestions on the second round, and then we can make a decision. There are two sides to the case. It is obvious that we should all wish, if there were a flooding of water, somebody to go and turn of the tap. On the other hand, we do not want people to say that there is a flooding of water and then go in and steal the spoons.

(*Clause* 90 *of First Schedule is postponed.*)

(*Clauses* 91, 92, 93, 94, 95, 96 *and* 97 *of First Schedule are agreed to.*)

ON CLAUSE 98 OF FIRST SCHEDULE.

Chairman.

1201. This gives an appeal to Quarter Sessions?—(Mr. *Hill.*) Yes.

(*Clause* 98 *is agreed to, subject to further revision.*)

(*Clauses* 99, 100 *and* 101 *of First Schedule are agreed to, subject to further revision.*)

ON CLAUSE 102.

Mr. *Hill.*] Our amendment here is an attempt, and I rather hope a successful attempt, to meet the railway companies. I leave it at that.

Chairman.

1202. The amendment is: Page 71, line 24, leave out from " nature " to end of line 27, and insert "the conditions, including conditions of a financial character with respect to the payment of compensation, future liabilities and otherwise, subject to which (*a*) the navigation authority or railway company shall, if they so elect, carry out the works on behalf of the undertakers; or (*b*) in default of such election, the undertakers may themselves carry out the works."?—(Mr. *Hill.*) I am told that it is accepted by the railway companies.

Chairman.] Is that agreed to?

(*The same is agreed to.*)

Mr. *Pritchard.*] I have an amendment on Clause 102. It is a very short one. At page 71, line 13, to delete the words " President of the Institution of Civil Engineers " and substitute " Minister of Health." The proviso is dealing with a dispute between two important bodies, a railway company or a canal company on the one hand, and water undertakers on the other hand, and I am instructed to ask the Committee to say that the Minister of Health should be the person to appoint the arbitrator to decide this dispute. (Mr. *Armer.*) We could not agree with that amendment. This Clause, so far as that paragraph is concerned, follows the Public Health Act. (Mr. *Whitelegge.*) On behalf of the railway companies, we should prefer the Bill as it is drafted. The question would be one of an engineering character and we think an arbitrator appointed by the President of the Institution of Civil Engineers will be wholly appropriate. (Mr. *Horner.*) On behalf of the Canal Association, I should like to support the argument of the railway company.

Mr. *James Griffiths.*

1203. It is agreed that the dispute will be a technical one?—(Mr. *Pritchard.*) I do not think I can say any more. If the Minister will not accept this responsibility, I cannot say any more about it.

Chairman.] The amendment, by leave, is withdrawn.

(*Clause 102 of First Schedule, as amended, is agreed to, subject to further revision.*)

(*Clause 103 of First Schedule is agreed to, subject to further revision.*)

ON SECOND SCHEDULE.

Chairman.

1204. The amendment here is: Page 72, line 21, at end insert " and Subsection (6) of the said Section one hundred and sixteen shall cease to have effect "?—(Mr. *Hill.*) It is simply an omission in drafting the Schedule.

1205. It is a drafting amendment?—(Mr. *Hill.*) Yes, and the next one too.

(*The Second Schedule, as amended, is agreed to, subject to further revision.*)

ON THIRD SCHEDULE.

Chairman.

1206. The amendment here is: Page 74, line 4, at end insert:

8 & 9 Vict. c. 16.	The Companies Clauses Consolidation Act, 1845.	Section one hundred and twenty-two, in relation to water companies.

(Mr. *Hill.*) That again is an omission. That is a Repeal Schedule.

(*The Third Schedule, as amended, is agreed to, subject to further revision.*)

Chairman.

1207. That finishes the first round. What are your proposals?—(Mr. *Hill.*) We printed, on Saturday, what we call Draft Supplementary Amendments which, I think, with one exception, cover all the points where the Ministry were told to get together with somebody else and come to an agreement, and cover all the consequential amendments. So far as I know there is only one disputed point outstanding.

1208. Which is that?—I ought to say this. We did not receive until yesterday the prints of Thursday's meeting and, of course, we did not receive until this morning the prints of yesterday's meeting and, as I imagine the Bill will be

made up from the Report, it is very necessary that every amendment should be clearly recorded in the Report. There are four or five places to which I will draw the Committee's attention as we go along where, I think, a doubt might arise as to whether a formal decision was taken or was not.

1209. You have been kind enough to say you will draw our attention to them and we shall see them?—There is one outstanding point and that is on Clause 10.

1210. Shall we deal with it now?—(Sir *Geoffrey Cox.*) I did not think the point was outstanding.

ON CLAUSE 10.

Chairman.

1211. This is " Agreements as to drainage, etc., of lands "?—(Sir *Geoffrey Cox.*) You may remember a discussion raged for some considerable time as to whether Catchment Boards were to be consulted. It arose not only on Clause 10 but on Clause 11, and on page 47 of the Minutes of the Second Day the Committee gave this decision: " The Commitee confer. (*Chairman.*) The Committee have decided to allow the amendment." The amendment in question is set out on page 43, the words to be inserted being " after consultation with the Catchment Board concerned." I thought that had settled the question of principle, and that the decision of the Committee applied to both Clauses 10 and 11, and at the moment I rather gather that Mr. Hill is uncertain whether it applies to Clause 10.

1212. In the second column, on page 47, you will see " The Committee have decided to allow the amendment." That is on Clause 10, is it not?—Strictly, it is on Clause 11 and it is the amendment set out on page 43. You spoke on Clause 11, my Lord, and said, " Now, Clause 11." Then Mr. Hill, " The first amendment on the print is put down in order to meet what we understand to be the views of the Catchment Board': ' after consultation with the Catchment Board concerned.' " A precisely similar point had arisen—I expect the Committee will remember it and were almost tired of it—on Clause 10, where the matter was left over so that the parties might seek accommodation if they could. That effort failed and, as I say, I thought the Committee's decision on Clause 11 governed the whole principle both of Clause 10 and Clause 11.

Mr. *James Griffiths.*

1213. That is my recollection. I thought we took this point as covering both clauses. I thought our decision covered both. That is my recollection?—(Mr. *Pritchard.*) A distinction was made during that discussion on that day between Clause 10 and Clause 11, and on page 44 there was a distinction between Clause 11 and Clause 10. Of course, if your Lordship has decided on Clause 10, there is nothing else we can say about it, but my impression was that the decision was on Clause 11.

Chairman.] What we have to decide is whether the Catchment Boards should be consulted or not.

Major *Mills.*] Personally, I think they ought to be, but I think it was left.

Chairman.] If we allow it in either Clause 10 or Clause 11, it will have to be allowed in the other one.

Viscount *Bridport.*] On page 44, Question 274, you left it to be agreed between the parties.

Chairman.] Now they cannot agree.

Mr. *James Griffiths.*

1214. We left it to you, Mr. Armer, and you came back and told us you had put down an amendment to Clause 11. Were you then of the opinion that there was no need to put down an amendment to Clause 10?—(Mr. *Armer.*) That is so.

1215. That it covered both?—No.

1216. That it only covered one?—I argued against the amendment to Clause 10, and it was left for discussion between the parties, and we could not agree on it.

Chairman.

1217. What is sauce for Clause 10 is sauce for Clause 11, is it not? We have only one point to decide and that is whether the same decision applies to both clauses?—The clauses are not the same. The view taken on Clause 10 was that there were so many minor operations which did not concern the Catchment Boards, and they ought not to get notice unless they are concerned.

Mr. *Levy.*

1218. What is your view? Are you against the amendment which has been accepted in Clause 11? Are you against it being accepted as applied to Clause 10?—That was the view we took.

1219. That was the view the Ministry took?—Yes.

1220. My recollection is that no decision of the Committee was given. You were asked to consult with one another outside. You came back and said you did not agree, and now you are as you were and therefore, if we have to decide as to whether the amendment shall or shall not be accepted, we have got to hear the discussion all over again?—I should not have thought so. (Sir *Geoffrey Cox.*) I can remind the Committee in one moment of the point which was outstanding between us. Clause 10 and Clause 11 do exactly the same thing, but in relation to different subject matters. Clause 11 relates to lands which are in the possession of the water company itself. Clause 10 relates to lands which do not belong to the water company itself, but to any owner with whom it makes an agreement. If your Lordship remembers, I ventured to suggest that an agreement made under that Section would have statutory force and might give the landowner a power to discharge foul water into a watercourse, which, in default of Clause 10, he would not otherwise be entitled to do. I thought there was, in principle, no distinction whatsoever between Clause 10 and Clause 11, the object of the amendment being, in both cases, to provide that there should be consultation with the responsible public authority before foul water is discharged into a watercourse.

Chairman.

1221. You only asked for consultation?—Yes.

1222. It is "after consultation with the Catchment Board"?—"After consultation with the Catchment Board concerned."

Mr. *James Griffiths.*

1223. Via the Postmaster, I think, you said?—In any way that seems proper.

Chairman.

1224. What is your definite objection to consultation with the Catchment Board, Mr. Armer?—(Mr. *Armer.*) Under Clause 10 there would be so many small operations. For instance, a local authority or water undertaker might agree with a farmer to alter his closet accommodation or to connect his drainage to a sewer. Those things ought not to concern a Catchment Board. They are minor matters. That is the only objection.

1225. It was not a very strong objection, but I gather that Mr. des Forges, when arguing the case, said it would cause a great deal of delay and inconvenience. I think that was the main point?—(Mr. *Pritchard.*) Yes. (Sir *Geoffrey Cox.*) He seemed to have a constitutional dislike for Catchment Boards, as such. (Mr. *Pritchard.*) I do not know about a constitutional dislike but, with respect to Sir Geoffrey, there is a considerable difference between Clause 10 and Clause 11. Clause 11 enables undertakers to carry out substantial works. Clause 10 deals merely with agreements with landowners, and I am sorry that Mr. Swales is not here to be able to tell the Committee exactly what is done, because they have gangs of men who go out and work to a schedule of laying pipes over lands of different landowners, and it is a day-to-day job, and if you have to wait for consultation there will be considerable delay. I cannot say anything about Clause 11 because the Committee have already decided on that, but I do submit that there is a distinction between Clause 10 and Clause 11. (Mr. *Hill.*) We have a suggestion to make which, I submit, will meet Sir Geoffrey if it will meet the other people. (Mr. *Armer.*) If the Committee are inclined to agree to something in Clause 10, we would suggest that it should be on these lines: "Provided that where the execution of any such works would result in the discharge of water otherwise than through public sewers into any watercourse within a Catchment area, the undertakers shall before entering into the agreement, consult with the Catchment Board concerned." (Sir *Geoffrey Cox.*) That would meet me perfectly. I am only concerned to see that what goes into a watercourse is, shall I say, reasonably pure, and that I am given a chance of making suggestions.

1226. That meets you?—That would meet me perfectly.

1227. What do you say to that, Mr. Pritchard?—(Mr. *Pritchard.*) I cannot agree to that without instructions. (Sir *Geoffrey Cox.*) Then I do ask for a decision of the Committee. I had hoped and thought that I had been reasonable on behalf of the Catchment Boards, and I invite my friend to be the same.

Chairman.] Shall we agree provisionally to the amendment, as both sides seem satisfied?

Mr. *James Griffiths.*

1228. This is satisfactory to the Ministry. This is your suggestion, Mr. Armer?—(Mr. *Armer.*) If the Committee decide to alter Clause 10, yes.

Chairman.

1229. The Committee have decided to accept this Amendment provisionally, and as we have not had the actual wording——?—(Mr. *Hill.*) That is the actual wording suggested.

Chairman.] Yes, but we have not had very much time to consider it. We should like to put in a caveat to say that we may wish to alter the drafting at our next meeting, but put it in, will you.

(*Clause* 10 *is postponed.*)

Chairman.] What are we to do now? I regret to say that the House of Lords have decided to meet at 3 o'clock. Lord Bridport and I have a very small job to do. Would you like to take it this afternoon and allow us to go away for five minutes?

Major *Mills.*] I cannot be here.

Chairman.

1230. Perhaps we had better not meet this afternoon?—(Mr. *Hill.*) Would it be possible for a quorum of the Committee to meet us this afternoon and pass everything to which no objection is taken? That might be done.

Chairman.] I do not know that we shall be able to get a quorum.

Major *Mills.*] I can be here soon after 3 o'clock, but I have an appointment from 2 o'clock until 3 o'clock.

Mr. *James Griffiths.*] I can be here until five minutes to three.

Chairman.

1231. It is difficult to get a quorum together. I suggest that you might circulate the papers with the agreed amendments?—(Mr. *Hill.*) They have been circulated.

1232. We can pass them *en bloc* if nobody wishes to raise anything?—They have been circulated. They were circulated on Monday morning.

1233. The second round amendments have been circulated, and Mr. Hill points out that the amendments marked with a cross, it is believed——?—That applies to only a very few.

1234. Yes. That does not help us very much. What are the ones which you think there is a doubt about?—The bottom one on the first page. I think, reading the Report, it might be said that there was no formal decision of the Committee recorded.

1235. Can you give us the ones which you think want careful consideration by the Committee?—I do not think there are any.

1236. Except Clause 2?—No, I believe these are all agreed, with, possibly, verbal alterations.

Chairman.] I think the best thing is to let us read these, and then the next time we meet, any Member of the Committee could raise any question on any of the amendments they wished, otherwise we might pass them. Do you think that would be all right?

Mr. *Levy.*] If Mr. Hill gives us an assurance, which I am sure he can give, that there is no material alteration of anything we have already done, I do not see why we cannot accept them in those circumstances, with your permission.

Chairman.

1237. Mr. Hill is a very experienced draftsman. I think we might accept them?—(Captain *Ellen.*) There are one or two points I have to raise on amendments.

1238. Which ones?—(Captain *Ellen.*) On page 2 of the supplementary amendments, on new sub-Clause (5). I have a small point to raise on the amendment to Clause 9, page 3, new proviso to paragraph 2.

1239. What is your amendment?—My amendment is to strike out "maintainable at the public expense." The amendment reads at the moment "provided nothing in this sub-section shall be construed as prohibiting or restricting" miss out (i) and go on to (ii) "the reasonable use of oil or tar on a highway maintainable at the public expense," and so on. I suggest that those words should be taken out.

Mr. *James Griffiths.*

1240. What page is that?—On page 3, right at the bottom of the page.

Chairman.

1241. Was not this argued in the first round and the Committee came to a decision on it?—(Mr. *Swift.*) I argued it, and the Ministry have put in a clause which meets my Association.

Chairman.

1242. And Captain Ellen objects to it?—(Mr. *Hill.*) I hesitate to criticise his proposed amendment, but unless it was a highway maintainable by the inhabitants at large, I cannot see that the highway authority would be meddling with it. (Captain *Ellen.*) This is something which allows oil or tar on a highway to escape into water. (Mr. *Hill.*) So long as the highway authority takes certain precautions, but the highway authority do not put tar on any road which is not maintainable by them. (Captain *Ellen.*) That is perfectly true, but there is another amendment on page 4, which I was going to move, to correct that particular position. It does not seem as though there is any need to confine that saving to highways maintainable at the public expense, because there are many which are not so maintainable. I submit that what is reasonable in one case is reasonable in another.

Chairman.] I think we must allow the clause to stand as it is.

(*The same is agreed to.*)

(*Clause 9 is postponed.*)

On Clause 13.

Chairman.

1243. Are there any other points?—(Mr. *Pritchard.*) I have a comment to make upon the amendments to Clause 13. That is the temporary discharge of water into streams. The Committee decided that the parties should get together to discuss the method of notice and consultation under that clause. In deference to the Committee we have done so, and we have agreed these amendments. The amendments give effect to what we have agreed and we must stand by them, but I am instructed to make the observation that we do not like it, and we think great difficulty will be caused in working it. We accept the amendments. We must, and we must stand by them, but I am instructed to make the observation that we think difficulty will be caused. (Mr. *Hill.*) Mr. Pritchard, you will agree that in the third line from the end of new subsection (3), the words "subsection (1) of" must come out. Mr. Browne drew my attention to it. "Required under the last preceding subsection" not "required under subsection (1)". (Mr. *Pritchard.*) Yes. (Mr. *Hill.*) The concluding words will be "paragraph (*a*) of subsection (1) thereof" to make the English correct.

(*The same is agreed to.*)

(*Clause 13 is postponed.*)

On Clause 1.

Chairman.

1243A. Very well?—(Mr. *Marshall.*) If you wish to deal with this comprehensively, I think Mr. Hill intended to point out to you that on the first page of this paper, in the amendment to Clause 1, page 4, line 5, the word "adversely" should be inserted before "affected" the first time it occurs, and the word "so" should be inserted before "affected" where it appears for the second time.

1244. Do you agree to that Mr. Hill?—(Mr. *Hill.*) Yes.

(*The same is agreed to.*)

(*Clause 1 is postponed.*)

Mr. *Seager Berry.*] I am instructed on behalf of the Sheffield Corporation and the Sunderland and South Shields Water Company to express their regret that the Committee should have thought it necessary to impose on water undertakers the new and restrictive conditions imposed by subsections (2) and (3) of Clause 13 as proposed to be amended.

1245. You have no further amendments?—No.

On Clause 22.

Mr. *Hill.*] In regard to the amendment to Clause 22, on page 24, line 19, to insert certain words in line 19, Sir Frederick Liddell suggests that they would come in better at the end of the section.

1246. That is a drafting amendment?—Yes.

(*The same is agreed to.*)

(*Clause 22 is postponed.*)

On Clause 45 of First Schedule.

Mr. *Swallow.*] I have one important point to raise on page 8 of these amendments. The new clause which you find under the heading "Clause 45" is designed to complete the Bill by reason of your Committee's decision not to put an obligation on water undertakers to supply for trade purposes. It is clearly necessary to give them the power to do so, as distinct from the obligation, and I want to refer to the last three lines of this new subsection (1). The Clause says "undertakers may supply water for trade purposes . . . . but, except in so far as may be otherwise expressly agreed, shall not be subject to any liability in respect of a failure to maintain such a supply." Now I want to ask that the remaining words should come out. They are "if the failure is due to frost, drought, unavoidable accident, or other unavoidable cause or the execution of necessary repairs or alterations." As your Lordship realises, when you deal with the particular circumstances in which there shall be no liability, there is the danger that you have not covered the whole story. Now the position is that local authorities and water undertakers are entitled to supply water in bulk on such terms and conditions as may be agreed. My suggestion is that the agreement should define the liability of the undertakers.

1247. What do the Ministry of Health say to that?—(Mr. *Armer.*) This clause we have suggested follows the existing law on the subject. It is Section 13 of the Act of 1863.

Major *Mills.*

1248. Are not you covered by "or other unavoidable cause"?—(Mr. *Swallow.*) What I have particularly in mind is not "frost, drought, unavoidable accident or other unavoidable cause," what I am particularly concerned with is the question of priority as between domestic consumers and trade consumers. The water undertaker may have quite enough water to supply every domestic consumer, but not enough to supply a trade consumer. The conditions under which the water undertaker should be entitled to say to the trade consumer: "We are aware we cannot supply you with any more water. We must stop now for a fortnight." These conditions should be determined by the agreement itself, and these qualifying words do not refer in any way to the needs of domestic consumers. The words "unavoidable cause" would be appropriate as regards all consumers, but they are not appropriate when you are dealing with one class in relation to another class.

Mr. *Levy.*

1249. Is it not the idea that if their inability to supply water is caused by something which is beyond their control, so far so good, but if it is within their control, then why should you exonerate them from liability?—The point is that it is within their control. The local authority, if they thought fit, could say: "This particular trade is so important that we must keep it going and deprive our domestic consumers of part of their supply." So it is not within their control and unless the conditions in the agreement were clearly defined, they would be bound to supply under this clause the trade consumer, if they had any water at all.

Mr. *James Griffiths.*

1250. Would not you make the question of priority abundantly clear in the agreement which is provided for here?—I agree that could be done, but I want to guard against the danger of its not being done, so as to leave the whole of the conditions dependent upon the agreement.

Mr. *Levy.*

1251. If you did not supply water the onus of proof would be on the trader to prove that you had the water and did not supply it?—Yes, but we should be liable to penalties if we did not.

1252. That may be, but what I would like to see avoided is that a trader who probably employs these consumers, about whom you are so concerned, should be told to shut down for a fortnight and put them all out of work, whereas it may be, if you were not released from all liability, some efforts would be made by the water company to keep that going?—I agree the water undertakers can guard themselves by means of the agreement, but I want to make sure that they are not precluded by these words from being guarded even in a case in which they have not made full provision in the agreement itself.

Mr. *James Griffiths.*

1253. You are afraid that these words will preclude you from putting into any agreement a priority clause?—Yes, because they are so clear and they do not cover the one thing I want to guard against.

1254. What is Mr. Armer's view on that?—(Mr. *Hill.*) The way it strikes me is this, if I may put it this way. There was a clause putting on undertakers an obligation to give a supply for trade purposes. Instead of attempting to amend that so as to give proper priority for domestic purposes, they asked the Committee to reject it altogether and this is the existing law to which we are going back, and I submit it had better be the existing law? (Captain *Ellen.*) My Lord, the rejection of Clause 5 by the Committee was a great blow to us. It was rejected on the grounds that although the Committee, as expressed by you, were very sympathetic to the question of reorganisation of water supply, it was not appropriate in this Bill. May I ask the Committee, if they could not see their way to improve our situation, not to make it worse by altering the provisions of the law as Mr. Swallow has asked. This is the existing law, and I ask that we should be left in the position we are in now. As a matter of fact, I do not believe that the words " or alterations " occur in the section in the 1847 Act. I do not quite know why those words have been put in, because all the remaining contingencies to which that clause refers—frost, drought, unavoidable accident—are all outside the control of the undertaker, but alterations are quite within his control, and it may be that he will escape a liability by saying " what I am carrying out is an alteration," whereas if he took a little trouble, he could manage to feed our supply round some other way or construct some other simple works. I do ask you to leave that clause as it stands, and seriously consider whether the words " or alterations " should stand part.

Chairman.] Does the Committee agree to leave the clause as it stands?

(*The same is agreed to.*)

On Clause 1.

Mr. *Swallow.*] I have one other small point which arises on the first page of these amendments. It is about the middle of the page, in Clause 1, line 29, at the end insert " and, in the case of a copy to be served on the council of a county, shall attach thereto a copy of the draft Order." The effect of that amendment which carries out the Committee's decision is to require water undertakers not only to give notice of an application for an order under Section 1, but to supply the County Council with a copy of the draft Order. What I am suggesting is that a copy of the draft Order should also be supplied to other local authorities——. (Mr. *Hill.*) This is raising a point which is never asked for. (Mr. *Swallow.*) May I finish? I shall not be a second. I am only asking that the law which now prevails with regard to gas Orders and electricity Orders should be applied to water Orders. There is no distinction whatever between the three cases, and surely what has prevailed with regard to electricity Orders and gas Orders for many years—I think in the case of gas, probably since 1870—should now apply in the case of water. (Mr. *Hill.*) Although we know of one or two small amendments which ought to be made and must be made eventually, we carefully abstained from putting on our paper anything which was new matter, and on that ground I would ask the Committee to make no amendments which were not determined on in the first round.

Chairman.] Is it agreed that we do not accept Mr. Swallow's suggestion?

(*The same is agreed to.*)

(*Clause 1 is further postponed.*)

12° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. C. B. Marshall, Mr. G. N. C. Swift, Mr. H. E. Swallow, Mr Hugh Wentworth Pritchard, Captain C. W. Ellen, Mr. T. G. Seager Berry, Mr. J. F. Haseldine, Mr. A. W. White, Sir Geoffrey Cox, C.B.E., Mr. L. J. H. Horner, and Mr. C. H. Whitelegge. [*Continued.*

Chairman.

1255-6. Have you dealt with the case of the Metropolitan Water Board?—(Mr. *Armer.*) Yes.

1257. In these amendments that you circulated on Monday?—No. (Mr. *Hill.*) You put the clause in on the first round.

1258. That is all right. We want to see the amendments made on the first round. We have not got the amended Bill?—It has never been reprinted. I was going to ask the Committee to direct the Bill to be reprinted so that everybody concerned might satisfy themselves that nothing had gone in which was not intended to go in and that everything had gone in correctly.

1259. That is my point?—And then in a week's time we shall tell the Committee Clerk either that the Bill was agreed as absolutely correct, or that there were some small points which ought to be referred at any rate to a quorum of the Committee.

1260. I think we might leave that. Have the Bill reprinted to show the amendments that have been made, and circulate it to the Members of the Committee?—(Mr. *Armer.*) Yesterday the Committee instructed us to consider three clauses. It will not take me a moment to tell you what we have agreed.

On Clause 52 of First Schedule.

The first is Clause 52. We were told to try to agree with the Hotels and Restaurants Association on an amendment to Sub-section (4) on page 49. We have met them and we have agreed on these amendments. On page 49, line 21, this is a little earlier——

1261. After " minimum "?—Yes.

1262. This is a point which wants consideration. We shall have to have a meeting?—We have agreed.

1263. I know, but we have to agree with that?—I think when you hear them, you might be able to agree straight away.

1264. You are an optimist?—The amendments are in line 21, to leave out " twelve " and insert " twenty." That is to increase the boarders from twelve to twenty. In line 26 to insert the word " only " after " purposes." At line 31, after the second " in " insert " Sub-section (2) of." That was agreed at the last meeting. At line 33—this is the amendment we have agreed with the hotel people—leave out " one-fourth " and insert " one-eighth." At line 36, at end, insert " and to a minimum annual charge of the said annual amount." The effect of that is that we have split the difference between the two parties, fifty-fifty.

Chairman.] Those amendments are not agreed to yet.

(*Clause 52 of First Schedule is postponed.*)

Chairman.

1265. You had better reprint the Bill and let us go through it and have one more meeting. I do not think it will take more than an hour?—(Mr. *Armer.*) May I draw your attention to two other points we have agreed?

Chairman.] Yes.

On Clause 64 of First Schedule.

Mr. *Armer.*] The amendments are on page 56, line 14, leave out " which is situate on land at a higher level than 50 feet " and insert " to which water is required to be delivered at a height greater than 35 feet."

(*The same are agreed to.*)

(*Clause 64 of First Schedule is postponed.*)

On Clause 70 of First Schedule.

Chairman.

1266. What is the point on this clause?—(Mr. *Armer.*) The amendment is on page 58, line 43, after " person " insert " for use in other premises." On page 58, line 45, after " supplied " insert " for use in other premises."

On Clause 1.

Chairman.] The amendments on Clause 1 are: On page 2, line 10, leave out " body of persons whether incorporated or not " and insert " persons "; on page 2, line 21, after " water rights " insert " or vary the quantity of compensation water required by any enactment to be discharged into any watercourse "; page 2, line 40, after " publish " insert " once at least in each of two successive weeks "; page 3, line 8, after " days " insert " exclusive of any day in the month of August "; page 3, line 8, after the second " of " insert

12° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Captain C. W. ELLEN, Mr. T. G. STAGER BERRY, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Sir GEOFFREY COX, C.B.E., Mr. L. J. H. HORNER, and Mr. C. H. WHITELEGGE. [*Continued.*

" the first "; page 3, line 13, leave out " so " and insert " first "; page 3, line 29, at end insert " and, in the case of a copy to be served on the council of a county, shall attach thereto a copy of the draft order "; page 3, line 32, after " section " insert " naming the counties, county boroughs, or county districts within which the applicants carry on, or propose to carry on, their water undertaking, specifying a place where a copy of the draft order and of any relevant map or plan may be inspected "; page 4, line 5, leave out from " modification " to end of sub-section and insert " and considers that persons other than the applicants may be adversely affected thereby, he shall require the applicants to give and publish additional notices in such manner as he thinks best adapted for informing all persons likely to be so affected of the modification proposed." Are those agreed to?

(*The same are agreed to.*)

(*Clause* 1, *as amended, is passed.*)

ON CLAUSE 2.

Chairman.] The amendments on Clause 2 are: On page 5, line 25, after the first " the " insert " statutory water "; on page 6, line 2, after " shall " insert " notwithstanding anything in the section of this Act relating to repeals to be effected thereby "; page 6, line 19, at end insert " once at least in each of two successive weeks "; page 6, line 23, after " days " insert " exclusive of any day in the month of August "; page 6, line 23, at end insert " first "; page 6, line 25, after " to " insert " the council of any county "; page 6, line 31, after " section " insert " with persons specified in the notice "; page 6, line 39, at end add " (5) If the Minister is satisfied that by reason of an exceptional shortage of rain, or by reason of an accident or other unforeseen circumstances, a serious deficiency of supplies of water exists or is threatened in any locality, the provisions of Sub-section (4) of this section shall not apply to any agreement for a supply of water in bulk which undertakers supplying water in that locality have entered into with the approval of the Minister and for such period as he may determine.

In approving an agreement for the purposes of this sub-section the Minister, if he considers that the interests of public health so require, may direct that Parts V and VI of the First Schedule to this Act shall, in relation to any works to be carried out for the purposes of that agreement, have effect subject to such modifications as he may think necessary for the avoidance of delay." Are those agreed to?

(*The same are agreed to.*)

(*Clause* 2, *as amended, is passed.*)

ON CLAUSE 3.

Chairman.] The amendment on Clause 3 is on page 7, line 34, after " charges " insert " and of removing any pipes, plant or apparatus which the undertakers or authority giving the notice do not require them to leave in position." Is that agreed to?

(*The same is agreed to.*)

(*Clause* 3, *as amended, is passed*)

(*Clauses* 4, 6 *and* 7, *as amended, are passed.*)

ON CLAUSE 8.

Chairman.] The amendments on Clause 8 are on page 11, line 17; after the second " a " insert " county council or "; on page 11, line 18, after " whose " insert " county or "; on page 11, line 19, leave out " where such undertakers are a local authority "; page 11, line 27, leave out " dividends at a rate not less than the average rate " and insert " a reasonable return "; page 11, line 38, leave out lines 38 to 42; page 12, line 2, after " publish " insert " once at least in each of two successive weeks "; page 12, line 5, omit " twenty-eight days after " and insert " forty-two days, exclusive of any day in the month of August, after the first "; page 12, line 6, after " notice " insert " and shall transmit a copy of the notice to the council of every county, county borough and county district within which the undertakers are supplying water "; page 12, line 8, after " section " insert " naming the counties, county boroughs or county districts within which the undertakers are supplying water "; page 12, line 12, leave out " twenty-eight " and insert " forty-two "; page 12, line 13, leave out " twenty-five " and insert " thirty-nine "; page 12, line 20, leave out " local authority " and insert " council "; page 12, line 32, leave out the new Sub-section (6) (relating to London). Are those agreed?

(*The same are agreed to.*)

Clause 8, *as amended, is passed.*

12° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Sir GEOFFREY COX, C.B.E., Mr. L. J. H. HORNER, and Mr. C. H. WHITELEGGE. [*Continued.*

ON CLAUSE 9.

Chairman.] The amendments on Clause 9 are—on page 12, line 34, leave out " paddle "; page 12, line 39 after " waterworks " insert " any vehicle or ". Page 13, line 3, after the third " or " insert " filthy "; page 13, line 12, after " in " insert " such "; page 13, line 13, at end insert " that contamination of water therein is reasonably probable "; page 13, line 16, at end insert—" Provided that nothing in this sub-section shall be construed as prohibiting or restricting—(i) the reasonable use on any land of manures or fertilisers; or (ii) the reasonable use of oil or tar on a highway maintainable at the public expense, so long as surface water from that highway does not flow directly into, or into any drain communicating with, any such spring, stream or reservoir as aforesaid and so long as the highway authority take all reasonable steps for preventing the oil or tar, or any liquid resulting from the use thereof, from fouling water belonging to the undertakers ". Are those agreed to?

(*The same are agreed to.*)

Clause 9, *as amended, is passed.*

Clauses 10 *and* 11, *as amended, are passed.*

ON CLAUSE 12.

Chairman.] The amendments on Clause 12 are—on page 16, line 23, leave out " exclusive of any part of the month of August ". Page 17, line 4, at end insert—" In this sub-section the expression ' month ' means a period of twenty-eight days exclusive of any day in the month of August "; page 17, line 4, in the new sub-section (6) inserted at end of line 4, after the word " shall " (in second line) insert " notwithstanding anything in the section of this Act relating to repeals to be effected thereby ". Are those agreed to?

(*The same are agreed to.*)

Clause 12, *as amended, is passed.*

ON CLAUSE 13.

Chairman.] The amendments on this Clause are on page 17, line 8, after " cleaning " insert " emptying "; page 17, line 18, after " emergency " insert " and except in so far as may be otherwise agreed in writing between the undertakers and the board or authority concerned "; page 17, line 21, leave out " the water " and insert " any such water as aforesaid for purposes other than the emptying or cleaning of a pipe not exceeding twelve inches in dia- not exceeding twelve inches in diameter " page 17, line 25, leave out from " discharged " to end of line 27; page 17, line 33, leave out from the beginning of the line to " shall " in line 38 and insert—" (*c*) where the water is to be discharged into any river, canal or other inland navigation in respect of which a navigation authority exercises functions, the undertakers ". Page 18, line 1, at end insert—" (i) whenever the undertakers propose to discharge water on a number of occasions during a period, the giving by them of a general notice to that effect, accompanied by such particulars as it is reasonably practicable for them to give, shall constitute sufficient compliance by them with the provisions of paragraph (*a*) of this subsection." Page 18, line 2, leave out " this paragraph " and insert " paragraph (*c*) of this subsection "; page 18, line 6, leave out " and "; page 18, line 7, leave out " this paragraph " and insert " the said paragraph (*c*) "; page 18, line 13, at end insert " and (iv) any approval for which application is made under the said paragraph (*c*) shall be deemed to have been given unless notice of disapproval is given to the undertakers within seven days after the making of the application. (3) If the undertakers are requested by—(*a*) the owner or occupier of any land which abuts on a watercourse at a point within three miles of any work of the undertakers from which water may be discharged under the provisions of this section; or (*b*) the clerk to any association of mill owners any of whose constituent members is such an owner or occupier as aforesaid, to register him for the purposes of this section, the undertakers shall enter his name and address in a register kept by them for those purposes and, so long as his name and

address appear in the register, shall, except in a case of emergency and except in so far as may be otherwise agreed with him in writing, send to him in respect of that watercourse the like notices as they are (in the absence of any emergency or agreement to the contrary) required under the last preceding subsection to send to such a board as is mentioned in paragraph (*a*) of subsection (1) thereof. (4) Where the undertakers discharge water during an emergency, they shall forthwith give to the boards, authorities and registered persons concerned thereof in writing and such further particulars relating to the discharge as may reasonably be required." Page 18, line 31, after "them" insert "or liability to which they may become subject"; page 18, line 32, at end insert "and, for the purposes of this subsection, any extra expenditure which it becomes reasonably necessary for any public authority to incur for the purpose of properly discharging their statutory functions shall be deemed to be damage sustained by them." Are those agreed to?

(*The same are agreed to.*)

(*Clause* 13, *as amended, is passed.*)

(*Clause* 14 *is passed.*)

ON CLAUSE 15.

Chairman.] The amendment on Clause 15 is: Page 21, line 2, at end insert "Provided that the undertakers shall not without the approval of the Minister issue any such preference stock, if the amount required to pay the full dividend thereon will exceed the amount required to pay the full dividend on the stock in substitution for which the new stock is issued, but no holder of the stock shall be concerned to enquire whether any approval required by this subsection has been given." Is that agreed to?

(*The same is agreed to.*)

(*Clause* 15, *as amended, is passed.*)

ON CLAUSE 16.

Chairman.] The amendment on Clause 16 is: Page 21, line 15, at end insert "or, in the case of an offence relating to a watercourse within a fishery district, the fishery board for that district." Is that agreed to?

(*The same is agreed to.*)

(*Clause* 16, *as amended, is passed.*)

(*Clause* 17 *is passed.*)

ON CLAUSE 18.

Chairman.] The amendments on Clause 18 are: Page 21, line 35, leave out "including a metropolitan borough"; page 21, line 36, leave out "and the common council of the City of London." Are those agreed to?

(*The same is agreed to.*)

(*Clause* 18, *as amended, is passed.*)

ON NEW CLAUSE 18.

Chairman.] The amendment on New Clause 18 is: In lines 4 and 5, from the end of this clause, leave out "a local authority" and insert "any authority." Is that agreed to?

(*The same is agreed to.*)

(*New Clause* 18, *as amended, is passed.*)

(*New Clause* 19 *is passed.*)

(*Clause* 19, *as amended, is passed.*)

(*Clauses* 20 *and* 21 *are passed.*)

ON CLAUSE 22.

Chairman.] The amendments on Clause 22 are: Page 24, line 14, leave out "so much of"; page 24, line 14, leave out "as" and insert "which"; page 24, line 22, at end insert "but to the extent only to which it is so inconsistent." Are those agreed?

(*The same are agreed to.*)

(*Clause* 22, *as amended, is passed.*)

(*New Clause* 23, *as amended, is passed.*)

ON FIRST SCHEDULE.

ON CLAUSE 1 OF FIRST SCHEDULE.

Chairman.] The amendments on Clause 1 of First Schedule are: Page 27, line 24, leave out "and 'owner'" and insert "'owner' and sewerage authority'"; page 28, line 1, leave out "(including a metropolitan borough)"; page 28, line 3, leave out "and the common council of the City of London"; page 28, line 5, leave out "or City" in both places where those words occur. Are those agreed to?

(*The same are agreed to.*)

12° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Sir GEOFFREY COX, C.B.E., Mr. L. J. H. HORNER, and Mr. C. H. WHITELEGGE. [*Continued.*

(*Clause* 1 *of First Schedule, as amended, is passed.*)

(*Clauses* 2 *and* 3 *of First Schedule are passed.*)

(*Clauses* 4 *and* 5 *of First Schedule, as amended, are passed.*)

ON CLAUSE 6 OF FIRST SCHEDULE.

Chairman.] The amendments on Clause 6 of First Schedule are: Page 29, line 46, after "not" insert "lay or erect any such wires, posts, conductors or other apparatus"; page 30, line 1, leave out from "consent" to end of line 2. Are those agreed to?

(*The same are agreed to.*)

(*Clause* 6 *of First Schedule, as amended, is passed.*)

(*Clause* 7 *of First Schedule is passed.*)

(*Clause* 8 *of First Schedule, as amended, is passed.*)

(*Clauses* 9-13 *of First Schedule are passed.*)

(*Clause* 14 *of First Schedule, as amended, is passed.*)

(*Clause* 15 *of First Schedule is passed.*)

(*Clause* 16 *of First Schedule, as amended, is passed.*)

(*Clauses* 17 *to* 22 *of First Schedule are passed.*)

ON CLAUSE 23 OF FIRST SCHEDULE.

Chairman.] The amendment on Clause 23 of First Schedule is: Page 37, line 21, at end add—"(5) For the purposes of this section, a private street within the curtilage of a factory shall be deemed not to be, or form part of, a street." Is that agreed to?

(*The same is agreed to.*)

(*Clause* 23 *of First Schedule, as amended, is passed.*)

(*Clauses* 24 *and* 25 *of First Schedule, as amended, are passed.*)

(*Clause* 26 *of First Schedule is passed.*)

(*Clause* 27 *of First Schedule, as amended, is passed.*)

ON CLAUSE 28 OF FIRST SCHEDULE.

Chairman.] The amendments on Clause 28 of First Schedule are: Page 39, line 15, leave out "determined by a court of summary jurisdiction" and insert "referred to arbitration"; page 39, line 17, leave out "the court" and insert "the arbitrator"; page 39, line 18, leave out "the court" and insert "he." Are those agreed to?

(*The same are agreed to.*)

(*Clause* 28 *of First Schedule, as amended, is passed.*)

ON CLAUSE 29 OF FIRST SCHEDULE.

Chairman.] The amendment on Clause 29 of First Schedule is: Page 40, line 16, at end insert—"(4) Nothing contained in this section for the protection of owners of level crossings shall affect the decision of any question which may arise as to the legality of the construction of, or the right to continue, any level crossing." Is that agreed to?

(*The same is agreed to.*)

(*Clause* 29 *of First Schedule, as amended, is passed.*)

(*Clauses* 30, 31 *and* 32 *of First Schedule, as amended, are passed.*)

ON CLAUSE 33 OF FIRST SCHEDULE.

Chairman.] The amendment on Clause 33 of First Schedule is: Page 42, line 4, after "repairs" insert "or alterations." Is that agreed to?

(*The same is agreed to.*)

(*Clause* 33 *of First Schedule, as amended, is passed.*)

(*Clause* 34 *of First Schedule, as amended, is passed.*)

(*Clauses* 35 *to* 38 *of First Schedule are passed.*)

(*Clause* 39 *of First Schedule, as amended, is passed.*)

ON CLAUSE 40 OF FIRST SCHEDULE.

Chairman.] The amendment on Clause 40 of First Schedule is: Page 43, line 14, leave out the newly inserted definition of "'sewerage authority'." Is that agreed to?

(*The same is agreed to.*)

(*Clause* 40 *of First Schedule, as amended, is passed.*)

ON CLAUSE 41 OF FIRST SCHEDULE.

Chairman.] The amendment on Clause 41 of First Schedule is: Page 43,

12° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. C. B. MARSHALL, Mr. G. N. C. SWIFT, Mr. H. E. SWALLOW, Mr. HUGH WENTWORTH PRITCHARD, Captain C. W. ELLEN, Mr. T. G. SEAGER BERRY, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Sir GEOFFREY COX, C.B.E., Mr. L. J. H. HORNER, and Mr. C. H. WHITELEGGE. [*Continued.*

line 19, after "repairs" insert "or alterations." Is that agreed to?

(*The same is agreed to.*)

(*Clause 41 of First Schedule, as amended, is passed.*)

ON CLAUSE 42 OF FIRST SCHEDULE.

Chairman.] The amendment on Clause 42 of First Schedule is: Page 43, line 43, after "repairs" insert "or alterations." Is that agreed to?

(*The same is agreed to.*)

(*Clause 42 of First Schedule, as amended, is passed.*)

(*Clauses 43 and 44 of First Schedule, as amended, are passed.*)

ON CLAUSE 45 OF FIRST SCHEDULE.

Chairman.] The amendments on Clause 45 of First Schedule are: Transpose Clause 45 to follow Clause 46. At the beginning of Part XVI, General and Miscellaneous, insert the following new Clause—" .—(1) Undertakers may supply water for purposes other than domestic on such terms and conditions as may be agreed with the consumer, but, except in so far as may be otherwise expressly agreed, shall not be subject to any liability in respect of a failure to maintain such a supply, if the failure is due to frost, drought, unavoidable accident or other unavoidable cause, or the execution of necessary repairs or alterations. (2) Charges for water supplied under this section, whether by meter or by otherwise, shall be recovered in the manner in which water rates are recoverable." Is that agreed to?

(*The same is agreed to.*)

(*Clause 45 of First Schedule, as amended, is passed.*)

(*Clauses 46 to 49 of First Schedule, as amended, are passed.*)

(*Clauses 50 and 51 of First Schedule are passed.*)

(*Clause 52 of First Schedule is further postponed.*)

(*Clause 53 of First Schedule, as amended, is passed.*)

(*Clause 54 of First Schedule is passed.*)

(*Clause 55 of First Schedule, as amended, is passed.*)

(*Clause 56 of First Schedule is passed.*)

(*Clauses 57 to 59 of First Schedule, as amended, are passed.*)

(*Clauses 60 to 62 of First Schedule are passed.*)

(*Clause 63 of First Schedule, as amended, is passed.*)

(*Clauses 64 to 66 of First Schedule are passed.*)

(*Clause 67 of First Schedule, as amended, is passed.*)

(*Clause 68 of First Schedule is passed.*)

(*Clauses 69 and 70 of First Schedule, as amended, are passed.*)

(*Clauses 71 and 72 of First Schedule are passed.*)

(*Clauses 73 to 76 of First Schedule, as amended, are passed.*)

(*Clauses 77 and 78 of First Schedule are passed.*)

(*Clause 79 of First Schedule, as amended, is passed.*)

(*Clause 80 of First Schedule, as amended, is passed.*)

(*Clause 81 of First Schedule is passed.*)

(*Clause 82 of First Schedule, as amended, is passed.*)

ON CLAUSE 83 OF FIRST SCHEDULE.

(If transferred to the body of the Bill.)

Chairman.] The amendments on Clause 83 of First Schedule are: Page 64, line 41, leave out "the" and insert "statutory water"; page 64, line 43, after "waterworks" insert "or, if they are supplying water at the passing of this Act, in each year after the passing thereof"; page 65, line 10, after "liable" insert "on summary conviction." Are those agreed to?

(*The same are agreed to.*)

(*Clause 83 of First Schedule, as amended, is passed.*)

(*New Clauses 84 to 86 of First Schedule are passed.*)

(*Clauses 87 to 101 of First Schedule are passed.*)

(*Clause 102 of First Schedule, as amended, is passed.*)

(*Clause 103 of First Schedule is passed.*)

(*Second Schedule, as amended, is passed.*)

(*Third Schedule, as amended, is passed.*)

Ordered: *That this Committee be adjourned to Thursday, 20th July, at 11 o'clock.*

DIE JOVIS, 20° JULII, 1939.

Members present:

Earl of Onslow.
Viscount Bridport.
Lord Teynham.
Lord Faringdon.
Lord Kenilworth.
Mr. Edwards.
Sir Francis Fremantle.
Mr. James Griffiths.
Mr. Levy.
Major Mills.

The EARL OF ONSLOW in the Chair.

Sir FREDERICK LIDDELL, *K.C.B., K.C.* (*Counsel to Mr. Speaker*) *attends the Committee.*

Mr. G. R. HILL, C.B. (Parliamentary Counsel Office); Mr. I. F. ARMER, M.C. (Ministry of Health); Mr. R. K. D. RENTON (Parliamentary Agent) (Metropolitan Water Board); Mr. H. E. SWALLOW (Parliamentary Agent) (Urban District Councils' Association); Mr. R. F. PARKER (Parliamentary Agent); Mr. J. K. SWALES, M.Inst.C.E. (General Manager and Engineer of the Sheffield Corporation Waterworks) and Mr. ARTHUR COLLINS (Financial Adviser to Local Authorities) (Association of Municipal Corporations); Captain C. W. ELLEN (Federation of British Industries); Mr. J. F. HASELDINE and M. A. W. WHITE (British Waterworks Association and Water Companies Association); Mr. MANSFIELD; Mr. C. C. POWELL (Parliamentary Agent) (The Society of West End Theatre Managers and The Theatrical Managers' Association); Mr. C. C. POWELL (Parliamentary Agent) and Mr. H. S. TOWNEND (Hotels and Restaurants' Association of Great Britain); Mr. ROY SNELL (Residential Hotels' Association of Great Britain); Mr. PATRICK HOWLING (National Chamber of Trade); Mr. E. C. V. SYMONDS; Sir GEOFFREY COX, C.B.E. (Parliamentary Agent) (Catchment Boards Association); Mr. MALCOLM BORG (Solicitor) (Margate and District Hotel and Boarding House Association); Mr. G. REILLY (Youth House) are called in and examined as follows:

Chairman.

1267. Mr. Hill, I did send you a message. I have asked the Committee about our procedure to-day, and I think they agree. We will run through the Bill clause by clause, asking whether clause so-and-so shall stand part, and anybody can raise any question they want to on the clauses. You have ready for us, have you not, anything that was left in doubt?—(Mr. *Hill.*) I am afraid I did not get your message, my Lord. (Mr. *Armer.*) I received your message.

1268. In order to save time, you need not tell us anything you do not want to refer to which we did settle, if you are convinced of it?—(Mr. *Hill.*) There is only one suggestion which possibly the Committee might like to consider. I am told there is one substantial objection. I thought possibly the Committee would take the other points, which, I believe, are all purely drafting, and that would release anybody who was not concerned with the one point which I understand somebody wishes to argue.

1269. That is on Clause 52?—That is the point about the hotels.

1270. I think we had better take it in its turn?—If you please.

Chairman.] It is more convenient to take the clauses straight through. Later on we will take the Report.

ON CLAUSE 1.

Chairman.

1271. Are there any points you wish to raise on Clause 1?—(Mr. *Swallow.*) On Clause 1, there is a pure drafting point on page 2, line 27: proviso (ii) deals with paragraphs (*d*) and (*e*) earlier in the Clause, and it provides that "an order shall not be made under paragraph (*d*), or paragraph (*e*) of this subsection, except on a joint application by both or all of the undertakings concerned." An undertaking is something impersonal; an application cannot be made by an undertaking, and I suggest for Mr. Hill's consideration as a pure matter of drafting that it should read "except on the joint application of both or all of the persons concerned." (Mr. *Hill.*) My Lord, I agree.

Chairman.] Does the Committee agree?

(*The same is agreed to.*)

20° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. R. K. D. RENTON, Mr. H. E. SWALLOW, Mr. R. F. PARKER, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. MANSFIELD, Mr. C. C. POWELL, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. PATRICK HOWLING, Mr. E. C. V. SYMONDS, Sir GEOFFREY COX, C.B.E., Mr. MALCOLM BORG, and Mr. G. REILLY. [*Continued.*

(*Clause* 1, *as amended, is agreed to.*)

(*Clauses* 2, 3, 4, *New Clause* 5 *and Clause* 6 *are agreed to.*)

ON CLAUSE 7.

Chairman.

1272. Is there anything on Clause 7?—(Mr. *Swallow.*) On Clause 7, this is again a pure drafting point, page 13, line 4. It reads: "to pay a reasonable return upon the paid up capital"; I suggest "to provide a reasonable return."

1273. Is there any objection to this?—(Mr. *Hill.*) No, my Lord.

Chairman.] Do the Committee agree?

(*The same is agreed to.*)

(*Clause* 7, *as amended, is agreed to.*)

(*Clause* 8 *is agreed to.*)

ON CLAUSE 9.

Chairman.

1274. Is there any point on Clause 9?—(Mr. *Armer.*) On Clause 9 I do not think that the Committee settled the wording of the proviso about catchment boards: it is page 15 at the bottom and is old Clause 10; the proviso is at the bottom of the page. You left that over because you said you might have some drafting points upon it. It has not been formally passed by the Committee.

1275. Have you anything to add?—(Sir *Geoffrey Cox.*) No, my Lord; it quite satisfies the catchment boards.

Chairman.] Do the Committee agree?

(*The same is agreed to.*)

(*Clause* 9 *is agreed to.*)

(*Clauses* 10 *and* 11 *are agreed to.*)

ON CLAUSE 12.

Chairman.

1276. Is there anything on Clause 12?—(Mr. *Parker.*) On Clause 12, in the absence of Mr. Pritchard, I am appearing for the Association of Municipal Corporations. Your Lordship did state on the fifth day that this Clause, as amended, was passed. I do not want to raise what is a criticism of the amendments that are included in the Clause if your Lordship says that the time for doing so has passed. If your Lordship would be prepared to hear me, I should like to go on. It is a point about the giving of the notice. It is Clause 12, page 22: your Lordship sees that?

1277. Which line?—It starts at line 3: "within three miles of any work of the undertakers". Your Lordship sees that any owner of land within three miles of any point of discharge is entitled to be registered. Once he is entitled to be registered, he is entitled to have notice served upon him under lines 10-18 of the Clause. He is entitled to have notice served upon him, and I am told, though I was not present at the conference, that that amendment does not, in fact, carry out what was agreed. What was agreed was, I am told, that those owners of land below a point of discharge should receive notice. It is a matter of great importance, for instance to Sheffield, my Lord, because they have a great number of points of discharge extending up the various streams that flow from their waterworks and past their waterworks; and if all the owners and occupiers of lands within three miles of all those points of discharge are entitled to be registered, supposing the Sheffield Corporation wish to discharge water from the bottom point of discharge, they would, under this Clause as it stands, have to give notice to all persons who were registered in respect of higher points of discharge. That is not what was agreed, I am told, and I have an amendment which I should like to bring up and hand in to your Lordship, if your Lordship is prepared to consider it.

1278. Have you spoken to the Ministry of Health about it?—I have shown my amendment to the Ministry of Health.

1279. What do you say to the amendment, Mr. Hill?—(Mr. *Hill.*) We have no objection to the amendment, my Lord.

1280. Has anybody else any objection?—(Captain *Ellen.*) This is an amendment which closely concerns us. If I could have a moment to look at the amendment, perhaps I could tell your Lordship whether I have any observations to make.

20° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. R. K. D. RENTON, Mr. H. E. SWALLOW, Mr. R. F. PARKER, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. MANSFIELD, Mr. C. C. POWELL, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. PATRICK HOWLING, Mr. E. C. V. SYMONDS, Sir GEOFFREY COX, C.B.E., Mr. MALCOLM BORG, and Mr. G. REILLY. [*Continued.*

1281. After "in writing" insert "and unless the point at which the water is to be discharged as aforesaid is situate down stream of any land in respect of which he is so registered." That is it. Captain Ellen, do you object to that amendment?—No, my Lord.

1282. And you do not object, Mr. Hill?—(Mr. *Hill.*) No, my Lord.

Chairman.] Do the Committee agree?

(*The same is agreed to.*)

(*Clause* 12, *as amended, is agreed to.*)

(*Clause* 13 *is agreed to.*)

ON CLAUSE 14.

Chairman.] Is there any point on Clause 14?

Major *Mills.*

1283. On page 25, line 29: "No holder of the stock shall be concerned to inquire whether any approval has been given"; I am not quite sure what "concerned" means—whether it means "no holder of the stock need inquire" or "no holder of the stock may inquire"?—(Mr. *Hill.*) It means "need inquire". He is not in any danger because he does not inquire.

1284. Would that be obvious to the lay mind as it is obvious to the legal mind?—I think so without any doubt. (Mr. *Armer.*) There is one other point on Clause 14, page 25, line 22, with regard to the word "solely": I do not think that has been formally passed by the Committee, but it is part of the agreement going with the proviso. It is common form.

Chairman.] That is agreed to, I think?

(*The same is agreed to.*)

(*Clause* 14 *is agreed to.*)

(*New Clause* 15, *Clauses* 16 *and* 17, *New Clauses* 18 *and* 19, *and Clause* 20 *are agreed to.*)

ON CLAUSE 21.

Chairman.

1285. Is there anything on Clause 21?—(Sir *Geoffrey Cox.*) On Clause 21 I am not quite sure what the position is. You will remember a little difficulty was pointed out. Under Clause 21, the new law is to come into force in the Session after next, whereas under a later Clause, the Clauses Acts are to be repealed at once. The point will be: What are you to incorporate in a Bill of next Session? You cannot incorporate a repealed Act. (Mr. *Hill.*) Yes. You can always say for one Session "notwithstanding that it may have been repealed." You can incorporate any Act.

Mr. *Griffiths.*

1286. What is the object of repealing it?—The words are printed there and you can incorporate them in any document by an appropriate reference. (Sir *Geoffrey Cox.*) The point was raised and I understood you would deal with it. (Mr. *Hill.*) I did not understand that. (Sir *Geoffrey Cox.*) All is well, if that is the case.

(*Clause* 21 *is agreed to.*)

(*Clauses* 22, 23 *and* 24 *are agreed to.*)

ON NEW CLAUSE 25.

Chairman.

1287. Now on New Clause 25?—(Mr. *Renton.*) I am appearing for the Metropolitan Water Board in the place of Mr. Browne, who cannot be here to-day. Your Lordship remembers it was decided that that clause was passed, but the Water Board have been considering it and they are not entirely satisfied that the clause gives effect to the intention.

1288. What do you say, Mr. Hill?—(Mr. *Hill.*) Mr. Browne says there is a little additional subsection he would like to see in to protect the Board still further and we have no objection to it. (Mr. *Renton.*) The amendment is as follows:

"*Addition to Clause* 25 *of Amended Bill.*

Page 30, *line* 40, at end insert:—

(2) Without prejudice to the generality of the provisions of the preceding subsection it is hereby declared that the Waterworks Clauses Act, 1847, and the

Waterworks Clauses Act, 1863, shall remain unrepealed for the purpose of enabling the provisions of those Acts or any of those provisions to be incorporated with or without modification in any Bill promoted by the said Board in the present or any future Session."

1289. Do the Committee agree? It is only a saving clause, is it not?—(Mr. *Hill.*) That is all, my Lord.

Chairman.] Do the Committee agree?

(*The same is agreed to.*)

(*New Clause 25, as amended, is agreed to.*)

(*Clause 26 is agreed to.*)

Chairman.] Is there any point on the Bill before we pass to the Schedule which any Member of the Committee or any of those representing various interests wish to draw attention to? Then I think we will consider the Bill is finished and pass now to the Schdule.

FIRST SCHEDULE.

ON PART I OF FIRST SCHEDULE.

(*Clause 1 is agreed to.*)

ON PART II OF FIRST SCHEDULE.

(*Clauses 2 to 13 are agreed to.*)

ON PART III OF FIRST SCHEDULE.

(*Clause 14 is agreed to.*)

ON PART IV OF FIRST SCHEDULE.

(*Clause 15 is agreed to.*)

ON CLAUSE 16.

Chairman.

1290. Now Clause 16?—(Mr. *Hill.*) The Committee will see in line 25, italicised, we put in the words " other than service pipes."

1291. That is a new amendment, is it? —That was put in by the Committee, but as a consequential amendment the same words ought to have gone in in line 27 again after the word " pipes." It was a consequential amendment which I missed.

Chairman.] Is that agreed? It is a consequential amendment.

(*The same is agreed to.*)

(*Clause 16, as amended, is agreed to.*)

(*Clauses 17 to 22 are agreed to.*)

ON PART V OF FIRST SCHEDULE.

(*Clauses 23 and 24 are agreed to.*)

ON CLAUSE 25.

Chairman.

1292. Clause 25?—(Mr. *Armer.*) Page 47, on line 4, " plant or works," we have left out " such plant and other works " earlier in the section on the last line of the previous page. " Plant or works," should be omitted here too as a consequential amendment.

Chairman.] Is that agreed?

(*The same is agreed to.*)

(*Clause 25, as amended, is agreed to.*)

ON PART VI OF FIRST SCHEDULE.

(*Clauses 26 to 31 and New Clause 32 are agreed to.*)

ON PARTS VII TO XII OF FIRST SCHEDULE.

(*Clauses 33 to 52 are agreed to.*)

ON CLAUSE 53.

Chairman.

1293. Now we take Clause 53, which I think you want to address the Committee upon?—(Mr. *Symonds.*) I am here as a small hotel proprietor representing myself. I very much regret that owing to the complete or almost complete lack of publicity this proposal has received, I and most of my confreres in the hotel business had been quite unaware of its passage. I have come here to London to-day, spending time and money that I can ill afford, in order that you may know that this measure will strike a very heavy blow at the whole of the small hotel industry in this country. However much you may discuss the equity of the proposals relative to affixing meters for hotel consumption, the important point for us to remember is that it will certainly mean a increase of not less than 40 per cent. in our water rates. So far as I am able to estimate, taking the most minimum figure that I can possibly put

to you, this proposal will cost Hastings something like £5,000 a year. I would put it to you that the total profits of the hotel business in Hastings are not much more than £500 a year. Our best managed hotel (that is a free advertisement, but it has nothing to do with me), the Queens Hotel, a very different business from my own, succeeded in making £170 profit last year. I want to contend that there is a complete inability of the hotel business in this country to meet the new charges which must inevitably arise. We have had in the past few years a considerable amount of effort, largely due to the initiative of Lord Derby, to make this country the really attractive place it should be to the foreign tourist. We are spnding public funds on the " Come to Britain " Movement and yet we have to admit (those of us used to foreign travel) that for the most part the hotels in this country compare unfavourably with those of the Continent and we do find that foreign visitors—Americans particularly—and people from the near Continent are frequently surprised that so many of our establishments should be without such ordinarily civilising amenities as running hot and cold water in the bedrooms; and yet we all know that you can go to quite a number of fair sized towns in this country without finding such a hotel. This particular clause relating to the affixing of meters is going to mean that the enterprise of individualists is going to be penalised and instead of doing something really to add to the attractions of this country for foreign tourists we are probably going to make the attractions very much less than they are at the present time. I understand that many of the arguments used against this clause have been met and uttered and rebutted by this Committee, but I contend (I hope I am not repeating anything that has been said before) that the water used by guests in a hotel is not used by that hotel; it is used by guests who are paying water rate. I understand there is the suggestion that the local authorities in those seaside towns are annoyed at having to pay the cost of producing that extra amount of water required for the guests. That is completely answered by anyone who understands the rating system in this country. After all, it is only by reason of the provision of decent hotels that these coast towns get any business at all. They would get no rates if it were not for the hotels, and particularly those which attempt to make themselves fairly decent establishments. When this meter rate comes into force about the varying rates for water charges throughout the country? Why must I, struggling to pay my taxes in Hastings, have to pay 2s. 6d. for my water as against 1s. 6d. in the north of England? That is an important point which I feel sure you cannot overlook. These clauses have been framed by gentlemen who, shall we say, have little acquaintance with the holiday business in this country. With regard to this clause here, subsection (2) (*c*): " Any boarding house capable of accommodating twelve *twenty* or more persons including the persons usually resident therein," I understand that after some pressure the number of twenty has been accepted. My Lord, is it understood that that will apply to little five-roomed cottages in dozens of south coast towns? I can take you to dozens of five-roomed cottages in places like Southend, Hastings and elsewhere, where, if the Inspector comes in during August week or the week following it (if the people are lucky), he will find more than 20 people in residence, where you have the occupier, the tenant of the house, occupying a rabbit-hutch somewhere in the back with his children, and even the scullery is let to guests, and technically it must be described as " boarding house accommodation." Who is to decide when a place is a boarding house and when it is not a boarding house? You are going to have in any case a certain section of the community which will profit by not disclosing the fact that it is taking in boarders during the summer season. I can see no way of getting out of that. I shall be much obliged if anybody here can enlighten me. But what we object to mainly is

the fact that we hotels in this country are asked to pay not merely for the water which we will consume but for the water which we will not consume. That is quite clear to those who realise that most of the holiday business in this country has to be done in two months out of the 12 months of the year, and however much you try to juggle with those figures, you will find that even at the rate of one-eighth we shall be paying a higher amount for our water than we are paying at the present time under the rateable value scheme. I perhaps have spoken a little too fully, but not so fully as I shall speak if this particular clause has the misfortune to be embodied in the Bill before the House of Commons; because I am quite sure, my Lord, that the hotel industry has no real knowledge of this proposition at all, and that had they done so they would have whispered words of wisdom and reason in the ears of those responsible for this clause.

Mr. *Edwards.*

1294. How much more will it be in your case at one-eighth? How will you be affected?—You are dealing with something intangible. If it is agreed that running hot and cold water is a desirable thing, then you have to depend on the habits of the people. There is bound to be a tremendous variation. You get a house full of young people who are wasting water. If you ask me to accept some proposition for preventing the waste of water, you will find no person——

1295. I am not thinking of that. I thought you said in your own case that there would be an increase of 45 per cent.?—There will be an increase of 40 per cent. I have not worked it out over those three quarters. I know that in my case it will exceed 40 per cent.

1296. At one-eighth?—At one-eighth.

Mr. *Levy.*

1297. Are you on the meter now or are you paying a water rate on an assessment?—On an assessment.

1298. Are you satisfied with the assessment?—No one is ever satisfied about rates, Sir, but comparatively, yes.

1299. Do I understand that you will never be satisfied about anything?—Oh, yes, Sir, in principle.

Mr. *Levy.*] Then I have no more questions to ask.

Mr. *Griffiths.*

1300. Will you give us a specific indication as to how much of an increase in pounds, shillings and pence in Hastings, for example, this would mean?—Any estimate is bound to be absurd, apart from the fact that I am not a statistician. We do not really know quite what we are in for, but in my view I reckon it is going to mean another £50 a year to me. If you multiply that figure by the number of hotels in Hastings——

1301. How big is your place?—Twenty-two rooms.

1302. It will mean £50 a year extra for you?—Yes. If you compare that with the number of hotels and their comparative size you will get somewhere near that figure of £5,000.

Mr. *Edwards.*

1303. What would be the length of your season? Is that two months?—That is when we are full to capacity.

Major *Mills.*] How many guests do you expect to take in?

Mr. *Edwards.*

1304. I thought you said two months?—I said two months, but it is to capacity for no more than six weeks. If you include Christmas, Easter and Whitsun you may stretch it to two months capacity.

1305. That would be about £6 a week extra water rate in your working season? Is that it?—I think perhaps over my arithmetic there is a little bit of a puzzle, because it is not quite realised how 22 rooms could account for the large amount of water. My answer to that is to be found in the argument I made regarding the five-roomed cottage. I have a number of large rooms. I converted a

country house into a private hotel and in order to pay my way, to do any business, I have to open that house in such a way that during the summer season I could take a large room—for example, one of my rooms is just half the size of this one—in which I put down eight beds on the dormitory principle. That means that that room is consuming a tremendous amount of water, but I am, of course, paying rates at the present time for that property. I am still paying more for my water through the rating system. But it is this question of packing out these boarding houses in order to get the income that would account for the terrific charge on the meter.

Chairman.

1306. I might perhaps read this telegram which has just come in to the Committee. There are two letters we have received containing a memorandum, which is the same memorandum as that which Members of the Committee have had before them. This is a telegram from Southend, Westcliff-on-Sea and District Chamber of Trade, signed by a Mr. Cotgrove, 16, High Street, Southend-on-Sea: "National Association Seasonal Traders representing 26 seaside resorts over 1,100 traders seriously concerned with provisions of Clause 52 First Schedule Water Undertakings Bill unreservedly support memorandum submitted by Southend Westcliff-on-Sea and District Chamber of Trade." Then "Cotgrove," I suppose, is the signature. I do not know who he is. Do you know about this?—No, my Lord, but I would point out to you that that is an example of what you would have received in thousands——

1307. Who is the sender? Do you know?—I do not know. (Mr. *Howling.*) I think I can tell you. He was on the telephone to me yesterday. I believe the telegram to be, my Lord, from Mr. Percy Cavanagh, the Secretary of the Southend and Westcliff District Chamber of Trade.

1308. Here is a letter we have got, but it is not from the same man. It is Cavanagh. I think it is the same. Is it Percy Cavanagh, General Secretary?—Mr. Cavanagh was speaking to me, but I am reminded that the telegram may be from Mr. Cotgrove. Anyhow, I think it is right to put it that it is from the Southend and Westcliff Chamber of Trade in conjunction with the other organisation to which you have referred.

1309. I do not think it really matters very much. All we gather is that the people in the hotel business do not like the clause?—(Mr. *Mansfield.*) There is one thing I would like to mention here, my Lord, before you go on, with regard to that telegram. With regard to that telegram and the one or two you have here to-day, that is only just an item of the hundreds and thousands of different societies of boarding house keepers, etc., that you would have heard from throughout the whole country had they known about it. But none of these societies knew anything about what is going on here, and had they have known the telegrams you would have received would have amounted to hundreds, and there would have been at least 20 or 30 here to speak their case. (Mr. *Malcolm Borg.*) I represent the Margate and District Hotel and Boarding House Association. I was only instructed yesterday, as apparently the clause had not come to the notice of the Association before. I take it the Committee have fully considered the question of the advisability of metering water to small hotels and boarding houses; but it must be appreciated that in seasonal resorts such as Margate it will fall very very heavily upon the proprietors of small private hotels and boarding houses. There are numerous hotels in Margate which are occupied for business purposes only for two or three months of the year. They are situated close to the sea-front, and as a result of their being used commercially during the summer months they are assessed with very high assessments. The amended clause, as it now stands, provides not only that the consumer shall pay for water consumed by meter; it not only puts a minimum annual

charge, equal to the amount which would be payable by way of water rate, but it also ensures a minimum quarterly charge, and I do submit that the inclusion of the minimum quarterly charge is definitely unfair. It would mean that in the case of a hotel, for instance, where the water rates for the year came to £160, for three-quarters of the year when they were not using very much water they would pay £20 per quarter, which would be £60, and for the summer quarter, if they used £160 worth of water, they would be paying in aggregate more than they should be charged for water consumed by meter and also more than they would pay if charged on the assessment. I do submit, my Lord, that if there is to be any minimum charge for water consumed in such premises, it should be a minimum annual charge and not a minimum annual charge and a minimum quarterly charge as well. I do not think I can add anything to that which has already been said with regard to the hardship which will fall upon these people, but I do submit, my Lord, that the minimum quarterly charge should definitely be deleted.

Mr. *Levy*.

1310. When you say "minimum annual charge," am I right in assuming that you say, "We are perfectly happy on the assessment of annual value as appropriated to the water rate"?—Quite.

1311. Let me take that a little further to see what your reaction is. Let me assume that the annual assessment is translated into gallons of water as a minimum charge and a meter is installed, and if you exceed that minimum charge you would naturally be prepared to pay for the extra water you consume. On the other hand, if your consumption of water was considerably less than your annual minimum charge, then your annual minimum charge must stand as a standard charge under each and every condition. Is that a satisfactory proposition?—It seems a reasonable proposition. We pay on our annual value, as we pay to-day. If the annual value is such that, when the water is metered to us, the charge is more, then we pay; but we do not pay more than our meter charge and our annual charge. By putting in a minimum quarterly charge, a business which only runs for two months may well be paying much more than the charge by meter and much more than the annual charge.

1312. Yes, but what I want to find out is your reaction to the fact that the assessment shall be (dealing with it on a two-part basis) your minimum standard charge; whether you use any water or not, that has to be paid?—That is what we pay now.

1313. A meter is then installed and you translate your minimum charge into gallons of water, and if you consume during the year more water than is accounted for by the arithmetic of your annual charge, then you have to pay for what water you use in excess?—That would appear to me to be fair.

Mr. *Levy*.] That is all, thank you.

Chairman.

1314. Are there any other objections?—(Mr. *Reilly*.) I would like to express the position with regard to the Hostels. The Hostels in London and other parts have to deal with the younger people and they have to run at minimum rates and charges, and any increase in our expenses will naturally reflect itself upon the younger people of the towns and of the nation. Our people are just students and young business people under 30, and they are often put to a strain in order to live in such a place. My point, of course, is that if any increase in the expenses is made it will be bad for them and for the Hostel Movement.

Mr. *Edwards*.

1315. Have you worked out any estimate of what the increased charges would be to you under the new arrangement?—I have only just heard of this. I have not had an opportunity of going into the figures.

Mr. *Griffiths*.

1316. Are you speaking for the Youth Hostel Movement?—No, I am speaking for an independent Hostel.

20° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. R. K. D. RENTON, Mr. H. E. SWALLOW, Mr. R. F. PARKER, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. MANSFIELD, Mr. C. C. POWELL, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. PATRICK HOWLING, Mr. E. C. V. SYMONDS, Sir GEOFFREY COX, C.B.E., Mr. MALCOLM BORG, and Mr. G. REILLY. [*Continued.*

1317. You mean a privately-owned Hostel?—Yes.

Chairman.

1318. Has anybody else anything to say?—(Mr. *Mansfield*.) There is one thing I would like to bring to your notice and it is very, very important, which I am afraid everybody has overlooked. You are attempting to bring about that a person has got to pay trade rates for washing himself. You can sell water to a mineral water manufacturer for 8d. a thousand gallons. He puts it in a bottle with a bit of gas and sells it to us for 4d., and yet for water to wash ourselves in and for a man to wash his wife and family or for a wife to wash the family (I am glad I got a laugh in because they are very rare here), you are charging 2s. 6d. a thousand gallons. I feel certain that there is not one person on any Committee who has ever thought of the enormous amount of money you are proposing to charge for water for domestic purposes. If an ordinary house at the seaside, where the people are coming backwards and forwards and washing themselves or their children two or three times a day has to pay 2s. 6d. a thousand gallons—why, a boarding house with about 20 or 30 or 40 people in it would be spending over £1 a day for water. It is unbelievable, my Lord. It is undreamt of to think that you are going to charge a mineral water manufacturer 8d. a thousand gallons and for domestic purposes you are charging 2s. 6d. a thousand gallons. That takes place in many, many towns. One town I went to on Saturday was 2s. 6d. The next one I went to was 2s. They are putting it up to 2s. 3d. I feel sure, my Lord, that this serious point of the charge that you are making for this water has never really been gone into.

Mr. *Edwards*.] Are the mineral water manufacturers represented?

Chairman.

1319. I do not know. Are there any other supporters of the objections? If not, perhaps Mr. Haseldine may have something to add. Have you something to add to what you told us the other day, Mr. Haseldine?—(Mr. *Haseldine*.) The clause as it now stands before you is a clause which has been agreed between the British Waterworks Association, the Water Companies Association, and the Association of Municipal Corporations, with the Hotels and Restaurants' Association. It was agreed, we thought, on the instructions that were given us by the Committee, that we should get together; that these particular premises should pay not less than the annual amount but that in order to provide for the standby plant which was required to meet their maximum demand, which came at the time of the maximum demand of the water undertaking, we should have some minimum charge. We understood the feeling of the Committee that the one-fourth that was included in the original Bill was too high and we agreed with the Hotels and Restaurants' Association that that figure be reduced to one-eighth.

Lord *Teynham*.

1320. Does the Hotels and Restaurants' Association comprise a large proportion of the community or a small proportion?—The President is the Right Honourable the Earl of Derby; Vice-Presidents, the Earl of Clarendon, Earl de la Warr, Sir Stanley Jackson, Sir Allan Anderson, Lord Iliffe.

1321. I want to know what is the proportion of their membership?—(Mr. *Townend*.) I am the General Secretary of the Hotels and Restaurants' Association of Great Britain. Our direct membership is 1,500—the principal licensed hotels of this country—and an indirect membership of another 2,000. We have here Mr. Snell, representing the Residential Hotels Association, and I think he will tell you that their membership includes all the principal unlicensed hotels and boarding houses in this country.

Chairman.

1322. You are satisfied with the agreement, are you?—Yes, my Lord.

Mr. *Edwards.*

1323. You are representing a much more prosperous class than those who have spoken this morning. You do not include them?—No, our membership includes the licensed hotels.

Lord *Faringdon.*

1324. Much more of a regular class rather than seasonal?—No, we have, for instance, one or two examples which I gave to the Committee. Our membership includes the hotels which actually close during the winter months.

1325. But would you also include those who were not seasonal?—Yes, my Lord, also those who are not seasonal.

Mr. *Levy.*

1326. Do you agree that in the calculation for the water every building would have to be dealt with on its own merits under the present system that you have agreed to: in other words, if your agreement is one-eighth, in order to compute how much you should pay, it would be an arithmetical calculation on each particular building, because it is based on the particular building's consumption of water?—That is correct.

1327. Therefore, in framing a measure, it is not better for all concerned that a basis should be arrived at which can be of general application instead of having to make separate calculations for every building throughout the whole of the country to which it applies?—I think our point was that there is already a calculation of the rateable value of the premises and automatically there would be the figure which that hotel or restaurant would have to pay, based on the rateable value; therefore, this one-eighth could be easily arrived at.

1328. Correct me if I am wrong. You are first taking your consumption of water and then you are basing your quarter in which you do not consume any water, at one-eighth?—No, my Lord.

1329. One-eighth of the annual value?—We get a figure—the rateable value—and then what the hotel would have to pay on a rateable value. That might work out at £100. Then we divide that by eight. That is not calculated according to the volume of water used.

1330. I know. In addition to that, you pay by meter for all the water that you use?—Yes.

1331. That is what I meant; perhaps I was not making myself quite clear?—(Mr. *Haseldine.*) My Lord, I do not think that is quite right, because in any particular quarter where they pay the one-eighth, they will be entitled to take water up to that one-eighth. There will not be a minimum charge fixed on one-eighth of the total rateable value for the year and then on the top of that a metered charge. It is only in the quarters where their consumption falls below such a quantity of water as, priced at the prescribed rate per thousand gallons, is less than the one-eighth, that they will be paying something for what they have not got in the way of water in that particular quarter.

Mr. *Griffiths.*

1332. I take it you represent in the main the larger hotels in the country?—(Mr. *Townend.*) That is correct, but we do represent hotels which have only five or six bedrooms.

1333. You do not speak in any real representative capacity, do you, for the large number, the thousands, of small boarding-house keepers in this country?—I do not speak on behalf of any boarding-house keepers.

1334. None at all?—No. We have another Association which represents them.

1335. We will come to that in a moment. How did you arrive at this one-eighth? Did you go into the merits of the matter quite fully and come to the conclusion that one-eighth was on its merits the fair settlement, or did you just look at one-fourth and make a quite easy compromise: "We will split 50-50"?—No, Sir. When we originally put our case——

1336. What did you ask for first?—We asked for the minimum charge to be based on the annual value, but then, when we were called back after the

20° *Julii*, 1939.] Mr. G. R. HILL, C.B., Mr. I. F. ARMER, M.C., Mr. R. K. D. RENTON, Mr. H. E. SWALLOW, Mr. R. F. PARKER, Mr. J. K. SWALES, M.Inst.C.E., Mr. ARTHUR COLLINS, Captain C. W. ELLEN, Mr. J. F. HASELDINE, Mr. A. W. WHITE, Mr. MANSFIELD, Mr. C. C. POWELL, Mr. H. S. TOWNEND, Mr. ROY SNELL, Mr. PATRICK HOWLING, Mr. E. C. V. SYMONDS, Sir GEOFFREY COX, C.B.E., Mr. MALCOLM BORG, and Mr. G. REILLY. [*Continued.*

Committee had deliberated, we were informed that we should get together with the representatives of the Water Undertakings and arrive at a fair figure. It was pointed out, I believe, by the Lord Chairman that while, in the opinion of the Committee, the figure of one-fourth was too high, alternatively the case which we had put forward for an annual minimum charge was the other extreme. It was for that reason that we came to this agreement.

Mr. *Edwards.*

1337. Did you have the feeling that you had been instructed to arrive at a compromise?—I did.

Major *Mills.*

1338. You made the best compromise you could. You did not jump at this eagerly?—No.

Mr. *Griffiths.*

1339. And, as all of us in this country think, you thought a compromise was splitting the difference?—Yes.

Mr. *Edwards.*

1340. You still feel on the merits of the case that your first claim was the correct one? Can you answer that? The Committee wants to be quite fair on this matter. Do you feel that you people ought to discuss it further? It was not suggested, I think, that you people should split the difference, as Mr. Griffiths has said. That was not the feeling. We wanted you to consider this matter on its merits, and, if you still feel the first claim was the correct one, I think the Committee would like you to say that; whether you did arrive at a compromise ultimately is another matter?—Most certainly I still feel that our first claim was the correct one.

Mr. *Griffiths.*

1341. Would you agree that this method, which you are now willing to accept, would not be a terrible burden for the people you represent—because they are the big people (I do not say that disrespectfully)? Would you agree with the suggestion put forward by the people who have spoken on behalf of those this morning, that this will mean an imposition of a very serious new burden upon small boarding-house keepers?—It certainly will.

1342. In some cases, from your knowledge of the boarding-house trade (in which we are interested, because we are going to have more holidays spread over more time in this country in future) do you think that that burden will seriously affect their livelihood? It might?—Certainly, I think it would increase the charges in many cases up to 40 or 47 per cent. (Mr. *Armer.*) Not on the small boarding-house. A part of the agreement was that a boarding-house capable of accommodating 12 persons should be increased to 20, so this Clause does not apply to anybody who has less than 20 boarders, including persons usually resident therein.

Chairman.

1343. It is not boarders; it is including persons usually resident therein?—I added that.

1344. So a man with a wife and family of four children would be six altogether, which would leave only room for another 14, including a couple of servants?—That would not be a very small boarding house.

1345. Have you anything further to say, Mr. Armer?—(Mr. *Powell.*) There are other Associations I represent who are a party to this agreement and who are prepared to stand by it—for instance, the Theatrical Managers' Association—and I also consulted Mr. Percey, who spoke here on behalf of the Licensed Victuallers Defence League; he also agreed that in all the circumstances it was a fair agreement.

1346. I should like to ask a question of the objectors. The Ministry of Health have just called attention to paragraph (*c*) of subsection (2), whereby boarding-houses capable of accommodating 20 are omitted. Are many of the boarding-houses you represent capable of putting up more than 20 people?—(Mr. *Mansfield.*) Very many. I am very sorry I had to agree to that figure, but it is similar to what you heard about

compromising; that was the only way; I could not get any more with all my pleading.

1347. What is the maximum number that the houses which your Association own generally contain?—I am not speaking for an Association.

Mr. *Griffiths.*

1348. Have you the Bill before you?—(Mr. *Haseldine.*) I am very sorry to interrupt, but I believe Mr. Mansfield is here appearing entirely for himself. He is a consumer of the Metropolitan Water Board, and they do not come within the scope of this Bill. (Mr. *Malcolm Borg.*) In Margate there are many, many boarding-houses which accommodate 50 or 60 guests. They are constructed of two or three private houses.

1349. A boarding-house with 50 or 60 people is a considerable concern?—It is a considerable concern which runs for a commercial season of two months.

1350. That would be bigger than some of your hotels?—Yes, Sir, but it is not operating throughout the year. Therefore, the minimum quarterly charge would be extremely hard.

1351. Have you a copy of the Bill?—Yes.

1352. Paragraph (*c*) of subsection (2) reads thus: " any boarding-house capable of accommodating twenty or more persons including the persons usually resident therein." Strike an average in Margate, if you can, and take the boarding-house where there are 20 people including boarder's and those usually resident there—the proprietor, his wife and children (if there are any), maids and servants: on the average how many boarders would there be in a house where there were 20 persons altogether?—There would be not be more than 15, I should say. (Mr. *Symonds.*) On that point, I would like to repeat what I said regarding the five-roomed cottage. I can give you the numbers and the names of the streets in Hastings in which there are five-roomed cottages which habitually during parts of August are accommodating as many as 20 visitors. (Mr. *Armer.*) They are probably breaking the law. We cannot legislate for people who are breaking the law. (Mr. *Symonds.*) That is a matter with which I am not concerned which the Ministry of Health in Hastings should be looking after but which apparently it does not. I am simply dealing now with the facts. There is another important point which occurs to me. In the case of those small houses, they are all let at an inclusive rental. They are let at an inclusive rental, because, if the rent was not collected weekly, there would be no chance whatsoever for the local authority to get its rates, so how are they going to get over this problem of the inclusive rental? That apparently has been ignored.

Chairman.] Are there any other observations anybody wishes to make?

Mr. *Edwards.*

1353. Did I understand that someone represented the smaller hotels?—(Mr. *Roy Snell.*) I represent the private Residential Hotels' Association, which comprises mostly small private residential hotels. There are some large ones, but there are a number that take between 40 and 50 people, and, when you told us at the end of that day that we were to confer with the Ministry of Health, we thought the one-eighth was the best we could get, and, of course, if we could get something better, we should feel much happier, but we thought, as we had made this agreement, we ought to stand by it. That is the whole position. We would also like to see the 20 increased further.

1354. You are not disposed to say it was an unfair settlement?—No; we were told to settle, and, once we have settled, we cannot go behind it, but, if your Lordships are prepared to re-open the matter, we should be very glad.

Chairman.

1355. You would be still more pleased if we accepted an amendment that no rates were to be paid?—(Mr. *Mansfield.*) That has not come back before our Committee. If it were to come back to our Committee and it were to be debated, I do not think we should agree to it, but we have had no option.

Chairman.] Are there any further observations?

Mr. *Edwards.*

1356. A statement was made here that these small people are paying 2s. 6d. a thousand gallons, whereas the manufacturers of mineral waters were only paying 8d. a thousand gallons: is that correct?—(Mr. *Haseldine.*) I take it that is possibly what the Metropolitan Water Board are doing, because the gentleman who made the observation is one of their consumers, but I am afraid I cannot help you. There are places in this country where the price for metered water would be as much as 2s. 6d., but it would be only for very small quantities of water. The Metropolitan Water Board, do sell very large quantities of water to very large trade consumers at a price as low as 8½d. a thousand gallons, I believe.

1357. I wanted you to reconcile that with the suggestion that the people who make the larger demand should pay the higher rate. Here is a case where the people are actually reselling the water and paying about one-quarter of what these small people are paying for washing purposes. Does not that seem rather anomalous?—That is on a big quantity taken more or less evenly throughout the year.

1358. You think it is quite justified to charge the smaller rate?—For a big quantity taken throughout the year.

Mr. *Levy.*

1359. Is it not the case that a certain charge is made for a certain quantity: when you exceed that quantity your charge is reduced, and, as you go on *ad infinitum,* you keep reducing it until a very very large consumer, on the law of averages spread over the various charges on the various quantities, would be getting his water, if he was a large consumer, at considerably less than the original charge per thousand gallons?—That is so, generally speaking: a metered scale of charges does reduce as the quantity increases.

1360. That is it?—But in fixing that scale, it has been assumed that the demand for water is fairly even throughout the year.

Mr. *Griffiths.*

1361. May I put this question to you, Mr. Haseldine: On the clause we have in hand now, it would be true to say that the burden of water charges fell relatively heaviest upon the small man and relatively lightest upon the big man: is not that true everywhere?—No, because the charge is based upon the rateable value, and the rateable value takes into consideration that particular point. I think you would get the same effect in the water rate as you get in the ordinary rates. I do not think you could say that the small person bears a heavier burden of local rates than the big person.

Mr. *Edwards.*

1362. Would it be true to say that, as a result of this change, he would? Here we have cases where they are going to pay a 40 per cent. increase, and someone quoted a case the other day which was nearer 100 per cent.—the case of the theatres. As a result of this change, would not the effect be to put a heavier burden on the small consumer?—No; I do not think that will be so, because I explained to your Lordship when I addressed you before on this subject that there were 91 private Acts of Parliament that had been passed during these last 10 years which had this provision in. They are not going to be affected. There will be some hard cases.

Chairman.

1363. I think we might clear the room now?—(Mr. *Armer.*) My Lord, before you consider it, may I just suggest that, if you are going to cut out the one-eighth, with that ought to go the amendment of 12 to 20 consumers. That " 20 " is an amendment of the Public Health Act, and the two ought to go together.

(*The parties are directed to withdraw and after a short time are again called in.*)

Chairman.

1364. The Committee have been into this question very carefully and have made the following two amendments: The first one is really consequential on the last, that is to say, old Clause 52, new Clause 53, subsection (2), paragraph (*c*), omit "twenty" and re-insert "twelve." You will see the reason why in a moment. Have you all got copies of the Bill, because the next amendment is rather more complicated: in subsection (4), line 35, the subsection will run as follows: "In any of the cases mentioned in subsection (2) of this section the water shall be supplied at a charge not exceeding the prescribed charge, subject, however, to a minimum" (that runs the same as is in the Bill; then omitting the word "quarterly") "charge" (then omitting the words "of one-eighth"); so that it runs like this: "subject, however, to a minimum charge of the annual amount which would be payable by way of water rate for a supply of water for domestic purposes furnished to the premises in question," and then we leave out the rest of the subsection. Is that clear? That is the main amendment, and we revert to "twelve" as the consequential amendment. Is that clear to everybody?—(Mr. *Hill.*) Yes.

1365. Then I think we can now go on. Is there anything further on new Clause 53 on page 59?—Would it run better if, instead of saying "minimum charge of," we said "minimum charge equal to"?

Chairman.] I think that is better.

Mr. *Griffiths.*] It would read better, I think.

Chairman.] Yes. Then we will say "equal to" instead of "of": "equal to the annual amount." Are these amendments agreed to?

(*The same are agreed to.*)

(*Clause* 53, *as amended, is agreed to.*)

(*Clauses* 54 *to* 63 *are agreed to.*)

PART XIII.

(*Clause* 64 *is agreed to.*)

On Clause 65.

Lord *Faringdon.*

1366. On Clause 65 I should like to ask Mr. Armer a question. Are you satisfied, Mr. Armer, that this height of 35 feet which you have substituted is the equivalent of the 50 feet? I remember there was some question before. You said you were going to fix a figure?—(Mr. *Armer.*) It might be 5 feet more than the present 50 feet, allowing 20 feet to the cistern.

1367. It allows 15 feet; it would be a fairly low cistern if it was only 15 feet above ground floor. You are satisfied with it, are you?—Yes. There are some precedents for 75 feet. We are satisfied that this is reasonable.

(*Clause* 65 *is agreed to.*)

(*Clauses* 66 *to* 76 *are agreed to.*)

PART XIV.

(*Clauses* 77 *to* 79 *are agreed to.*)

PART XV.

(*Clauses* 80 *to* 83 *are agreed to.*)

PART XVI.

(*New Clauses* 84 *to* 87 *are agreed to.*)

(*Clauses* 88 *to* 107 *are agreed to.*)

(*The First Schedule is agreed to.*)

(*The Second Schedule is agreed to.*)

(*The Third Schedule is agreed to.*)

Chairman.] The only other matter is the Title of the Bill.

(*The Title of the Bill is agreed to.*)

Chairman.

1368. Mr. Hill, I think the Committee, when you were out of the room, said that, if there are any consequential amendments to be made in consequence of anything that has been done this morning, we do not think it necessary to bring the Committee and everybody here again together, and we would ask you if you and Mr. Armer and Lord Bridport, as representing the Ministry, will make them?—(Mr. *Hill.*) I think I can say that nothing has been done to day which will entail any consequential amendments.

20° *Julii*, 1939.] Mr. G. R. Hill, C.B., Mr. I. F. Armer, M.C., Mr. R. K. D. Renton, Mr. H. E. Swallow, Mr. R. F. Parker, Mr. J. K. Swales, M.Inst.C.E., Mr. Arthur Collins, Captain C. W. Ellen, Mr. J. F. Haseldine, Mr. A. W. White, Mr. Mansfield, Mr. C. C. Powell, Mr. H. S. Townend, Mr. Roy Snell, Mr. Patrick Howling, Mr. E. C. V. Symonds, Sir Geoffrey Cox, C.B.E., Mr. Malcolm Borg, and Mr. G. Reilly. [*Continued.*

1369. We did not think so, but we did not want to call everybody together again. If there are any consequential amendments, you understand your position?—May I say there are one or two small amendments which the Minister will wish to put down on report, and I think if a consequential amendment was discovered, it would probably be better to deal with that in the same way so as not to delay the report of the Bill to the House.

1370. You will do it at a later stage?—On the Report Stage in your Lordships' House.

(*The witnesses are directed to withdraw.*)

(*Ordered*: *That the Lord in the Chair do report the Bill with amendments to the House of Lords, and that Sir Francis Fremantle do report accordingly to the House of Commons.*)

(18554—9) Wt. 687—1427 875 10/39 P. St. G. 335