

representative of Bunbury to ask the House to appoint a select committee. If the Chief Secretary will undertake that his proposed committee should be appointed, I will accept his offer; but I tell you, Sir, that if the committee be not appointed I will again come before the House with a request for a select committee to carry out a full investigation. I am quite prepared to accept the offer of the Chief Secretary, although he did take me to task and treated me in a dirty manner the other night. No member having the advantage of a legal training should take to task another member who has only a layman's training, when that member is trying to bring a matter of importance before the House. I take strong exception to the Chief Secretary's remarks the other evening. However, I will accept his offer for the appointment of an independent committee consisting of Mr. Huelin, Mr. Ward, and another independent person. I will withdraw my motion.

Motion, by leave, withdrawn.

The CHIEF SECRETARY: By leave of the House I wish to assure the hon. member that the committee has been appointed. The hon. member ought to be aware of that, because Mr. Huelin, as chairman of the committee, has sent him a letter on my behalf. The committee is an accomplished fact. It consists of Mr. Huelin, the Under Secretary of the Chief Secretary's Department, Mr. Ward of the Harbour and Lights Department, and Colonel Collett.

House adjourned at 6.15 p.m.

Legislative Council,

Tuesday, 30th June, 1931.

	PAGE
Question: Workers' compensation	3603
Leave of absence	3603
Bills: Farmers' Debts Adjustment Act Amendment, report, 3R.	3603
Firearms and Guns, recom.	3603
Workers' Compensation, 2R.	3605
State Manufactures Description, 2R., Com.	3615

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

QUESTION—WORKERS' COMPENSATION.

Hon. E. H. H. HALL asked the Minister for Country Water Supplies: Of the £187,447 to the credit of the Workers' Compensation Act, 1912-25, what is the estimated cash liability to date for (a) current premiums; (b) afflicted persons under the Third Schedule to the Act?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: (a) In addition to other reserves an amount of £6,712 is held in respect of unexpired premiums. It should be explained that the greater part of the premiums in respect of general accident business expire on 30th June; (b) The sum of £132,933 is available to meet claims under the Third Schedule. It is impossible to state what is termed the actual "Cash Liability." It is well known that liabilities are in existence in respect of which claims have not yet been submitted.

LEAVE OF ABSENCE.

On motion by Hon. C. H. Wittenoom, leave of absence for six consecutive sittings granted to Hon. H. Stewart (South-East) on the ground of urgent private business.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Report of Committee.

Report adopted.

Third Reading.

Read a third time, and returned to the Assembly with an amendment.

BILL—FIREARMS AND GUNS.

Recommittal.

On motion by the Minister for Country Water Supplies, Bill recommitted for the purpose of further considering Clauses 4, 12 and 18.

In Committee.

Hon. J. Nicholson in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 4—Application of Act:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That Clause 4 be struck out and the following clause inserted in lieu:—

4. This Act shall have the following application:—

To pistols and air guns generally.

(1.) It shall apply throughout the State to pistols and air guns.

To Asiatic and African aliens generally.

(2.) It shall apply throughout the State to any person who is an Asiatic or African alien, or who is an Asiatic or African alien claiming or deemed to be a British subject.

To municipalities and towns.

(3.) Subject to the provisions of paragraphs (1) and (2), it shall apply to all municipalities and towns and within one mile of the boundaries of any municipality or town.

License for a firearm other than pistol or air gun not necessary in other portions of State, unless the Governor declares by Proclamation.

(4.) Subject to the provisions of paragraph (2), Section 5 of this Act, relating to licenses, shall not apply, so far as regards firearms other than pistols and air guns, in any portion of the State not particularly specified in paragraph (3) of this section, unless the Governor by Proclamation from time to time declares it to apply to any portion or portions not so specified.

The clause, as agreed to in another place, would not meet the position at all. The position will be made clear if I read the following opinion submitted by the Crown Law Department:—

As Clause 4 of the Bill was originally drafted and put before the Legislative Assembly, it provided for the general application of the Bill to the whole of the State, and for the exemption of particular districts, in so far as regarded firearms other than pistols and air guns, from the provisions of the Bill relating to the necessity for taking out a license to possess or dispose of firearms. This provision for exemptions was inserted in order that the country districts might not be unduly penalised by the provisions of the Bill. However, when the measure came before the Assembly, the House altered the clause in question so as to make it read that "the provisions of the Act" would not apply to firearms other than pistols and air guns except in municipalities or within five miles thereof, unless the Governor, by proclamation, specifically applied them. There is a vast difference between saying that the provisions of the Bill do not apply and that Clause 5 of the Bill, relating to licensing, does not apply. It is only necessary to exempt the country districts from the licensing provisions of the Bill, and it is most necessary that all other

provisions of the Bill shall apply. The effect of the Assembly's amendment is, for example, that whereas under Clause 12, item (2), a person who is intoxicated while in possession of a loaded pistol in the country is guilty of a serious offence, he would not be guilty of any offence if he were intoxicated while in possession of any other class of loaded firearm. It is absolutely necessary that each and every one of the other provisions of the Bill shall apply generally throughout the State, and there is nothing inconsistent in making every one of those provisions so apply. A fresh draft is submitted recasting Clause 4. Instead of including municipal districts only within the scope of the Bill, in so far as relates to firearms other than pistols and air guns, it is submitted that towns also should be included, and this is the only material alteration in the recasting of the clause as it was originally before the Assembly. If, for instance, a town were not included in the operation of the Bill in so far as it relates to firearms other than pistols and air guns, it would be quite possible for a person to go, say, to Claremont or some other suburb, and procure any weapon or ammunition he desired, whereas he would be prohibited from obtaining the same weapon or ammunition if he went to the city. It is felt that this could hardly be intended and the later amendment has been put in for consideration at the suggestion of the Commissioner of Police.

Amendment put and passed.

Clause 12—Offences:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That to Item 7 ("using a contrivance commonly known as a maxim silencer" the words "or any contrivance of a similar nature" be added.

It has been ascertained in the trade that there are many different makes of silencers, in addition to the Maxim. Apparently that was not known to the Parliamentary draftsman, or to hon. members in another place. The amendment is necessary to cover other types of silencers.

Amendment put and passed.

Hon. W. J. MANN: I think the same amendment should be made to item 8.

The CHAIRMAN: That will be accepted as consequential.

Clause, as amended, put and passed.

Clause 18—Regulations:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That the following paragraph be inserted:—“(b) permitting dealers, without

the production of a license, to deliver ammunition to any person who represents himself as entitled to obtain it, or as the agent of a person entitled to obtain it, subject to the bona fide observance of precautionary conditions."

Traders are apprehensive as to how they will stand in supplying ammunition, especially when representative people from the country seek to purchase supplies. Regulations will be framed to safeguard the position, as under the Poisons Act. With these amendments, I am informed that the trade will be pleased with the measure, which they regard as highly satisfactory.

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

Bill again reported with amendments.

BILL—WORKERS' COMPENSATION.

Second Reading.

Debate resumed from the 25th June.

HON. J. NICHOLSON (Metropolitan) [4.51]: When this measure was introduced in another place, it was received, I believe, with the utmost surprise by all persons engaged in industrial enterprises because of the new principles proposed. Those principles were claimed by the Minister for Works to be the foundation of the Bill. Even the Leader of the House, when moving the second reading, claimed that it was a workers' Bill.

Hon. G. Fraser: I do not think it is.

Hon. J. NICHOLSON: Certainly nobody in his wildest flight of imagination could suggest that it was an employers' Bill. Whatever hopes the Leader of the House had in claiming that this was a workers' Bill must have been shattered by the speech of Mr. Drew, who, after criticising many of the amendments, informed the House that he could not support the Bill.

The Minister for Country Water Supplies: Some people cannot recognise its virtues.

Hon. J. NICHOLSON: Members will no doubt consider whether they can see in the Bill the virtues that the Minister and his colleagues claim for it. I cannot see eye to eye with the Government on this Bill, any more than can Mr. Drew.

Hon. E. H. Harris: You are looking at it from the workers' point of view?

Hon. J. NICHOLSON: Yes, from the workers' point of view, the employers' point of view, and the general welfare of the State. That is how we should regard all Bills brought before us, especially in the light of existing conditions. In the circumstances the Government should not be surprised if other members find it necessary to criticise the Bill, and some may even follow Mr. Drew in opposing it. One is prompted to ask from what source such a measure originated and why a simple amending Bill was not introduced to rectify what appeared to be anomalies in the Act. We should inquire regarding those points, because, when the existing legislation was passed, I have a distinct recollection of the then Minister for Works (**Hon. A. McCallum**) having openly declared that it was the best Act of its kind in the world.

Hon. G. Fraser: It is more than can be said for this Bill.

Hon. C. H. Wittenoom: The existing Act is very costly.

Hon. J. NICHOLSON: I believe it is. I understand that some employers approached the present Minister for Works and asked for relief from the heavy burden that the Act imposed upon industry. They certainly did not ask for a Bill such as this, which provides for the establishment of a State monopoly. Under it the State practically constitutes the commission the sole insuring authority for workers' compensation, guaranteed by the Government.

Hon. G. W. Miles: By a Nationalist Government opposed to State trading concerns.

Hon. J. NICHOLSON: By a Nationalist Government supposed to be opposed to State trading concerns.

Hon. Sir William Lathlain: Yes, supposed to be.

Hon. J. NICHOLSON: Certainly no one asked for a provision to make a contractor a worker entitled to the benefits of compensation. I direct attention to the definition clauses, the scope of which has been enlarged to extend the right of compensation to people who are contractors. I do not think that has been done in any other part of the world. The Bill, if passed, would affirm the principle of State insurance.

Hon. G. Fraser: A good thing, too.

Hon. J. NICHOLSON: If we once affirmed that principle, it would be only one step further to extend State insurance to fire, marine and other classes of insurance.

The Minister for Country Water Supplies: The Government propose to vacate the field of insurance.

Hon. J. NICHOLSON: I am surprised at the Minister making that suggestion. What is the department to be created? It is an insurance commission appointed by the Government. It will consist, as the Bill says, of the Government Actuary and two other representatives appointed, not by the people, but by the Government. How can the Minister claim that it will be other than a State activity?

The Minister for Country Water Supplies: Nominated to the Government.

Hon. J. NICHOLSON: Yes, but appointed by the Government.

The Minister for Country Water Supplies: Two out of four members.

Hon. J. NICHOLSON: Two members are to be nominated by representative bodies, but the selection will be made by the Government.

Hon. Sir Edward Wittenoom: As with the Arbitration Court.

Hon. J. NICHOLSON: The fact of the Government guaranteeing the fund makes them an active co-operator in the scheme. Notwithstanding the claims made in the Press by the Minister for Works from time to time and the suggestion of the Leader of the House, it is clear that the commission will be nothing more or less than a State activity—another State undertaking.

Hon. W. H. Kitson: That is one of the few good points of the Bill.

Hon. G. W. Miles: In your opinion.

Hon. J. NICHOLSON: What appeals to one member as a good feature of the Bill, may not appeal to other members. I do not regard it as a sound feature of the Bill, and possibly other members may entertain my view.

Hon. Sir William Lathlain: Hear, hear!

Hon. J. NICHOLSON: Not so long ago this House rejected a Bill which had for its object the giving of power to the State Government to carry on insurance business. I contend that if we pass a measure such as this we shall be reversing our previous

decision. Further, I remind the House that some years ago the Government exacted from each insurance company the payment of a large deposit to entitle those companies to carry on insurance business. By taking this deposit I want to impress upon the House that there was an implied contract on the part of the Government that the companies would be free to carry on every branch of insurance.

Hon. G. Fraser: There were some branches the companies refused to carry on.

Hon. J. NICHOLSON: I should like the hon. member to read the history of what took place on the occasion when the State started that activity which has been carried on illegally ever since. There has been no authorisation from this House. We definitely rejected the right to carry on business, and the hon. member will find undoubted proof that there was no justification for the continuation of such an activity as that. By passing the Bill in its present form, the companies which have paid the deposit I referred to will have their rights curtailed and will not be able to do workers' compensation business. This, I contend, is repudiation of a contract and should not be allowed. The Government seek to palliate, or justify, this grave breach of contract and good faith by submitting statements which show that these companies made losses in the workers' compensation branch of their business. That is no justification. It is no concern of the Government, even if the companies do make a loss in that branch of their business; it is the business of the companies themselves. If you or I choose to place all our insurance with one company, surely we should be entitled to do as we pleased, and the companies, I have no doubt, are prepared to run this risk of loss so as to keep their business intact. It is a reasonable way to look at it. One might take a simple instance in connection with some of our large emporiums in Perth. Take, for example, Boans, Foy's, the Economic, or any similar activity. Would it be suggested that we should bring in legislation that those houses should not carry on the sale of certain classes of goods, just because there was some loss in one branch of their business? Would it be said that because these companies or firms choose to sell a particular class of goods at a loss, that that was a rea-

son that should be advanced why the Government should step in and appropriate the right to trade in that particular commodity? It is unreasonable to suggest it. Take even the case of the ordinary grocer. No one will suggest that a grocer makes a big profit out of that common line, sugar. Probably there will be a loss, but that is no argument to entitle the Government to step in and prevent the grocer trading in that line. There are many lines on which they make no profit at all. The same argument applies there. So that the reasoning on the part of the Minister is absurd.

Hon. E. H. H. Hall: Industry is not called upon to make good the losses the hon. member referred to.

Hon. J. NICHOLSON: No, industry is not called upon to make good the losses suffered by the individuals concerned. I think also that such action as this on the part of any Government, and certainly on the part of the Nationalist-cum-Country Party Government is calculated to have a more far-reaching effect than can be contemplated. Insurance companies and other institutions have been some of our largest subscribers to Government loans, and any legislation such as this should be seriously considered before being passed. I believe in keeping sacred all contracts and not violating the right of freedom of contract. It has been stated that the Bill is designed to help industry. I fear, in its present form, it will have the opposite effect. It is desirable to examine some of the provisions of the Bill relating to the establishment of the Commission and the fund. The personnel of the Commission, as we are all aware, will consist of the persons to whom I have already referred.

Hon. E. H. Harris: You supported that principle in connection with the Arbitration Court.

Hon. J. NICHOLSON: I did it then in ignorance, perhaps, of the result, but we can profit sometimes by way of experience, and I think we have been taught a very good lesson by the experience of the Arbitration Court in realising that where the selection of the representatives to adjudicate as a board is of more or less a partisan character, as it will be here, almost invariably, as in the Arbitration Court, the determination of the question results in the determination, really, of one party the

President of the court. Here it would be the chairman of the board. That would be the result. Some reference was made to the Government Actuary. Mr. Drew spoke of the high qualifications of that officer and I think the Leader of the House also made reference to the excellent officer we have in the present occupation of the office. I should like to associate myself with those remarks and to say that I regard the present occupant of the office of State Government Actuary as a man of the greatest efficiency, as a man of the highest character and one in whom we could have the utmost confidence. But I do remind the House, and this is what we have to bear in mind in connection with the legislative matters that come before us, that we are not legislating for individuals, we are legislating for or against principles, and there is at stake here a very vital principle indeed. Whilst I have the highest respect for the Government Actuary, that fact will not weigh with me in determining my attitude with regard to the Bill, because of the serious principle involved. I have referred to the position created by the State Arbitration Court, where the decision almost invariably falls to that of the President.

Hon. Sir William Lathlain: Is there ever a unanimous decision?

Hon. Sir Edward Wittenoom: Sometimes, on unimportant matters.

Hon. J. NICHOLSON: Yes, but in matters of importance almost invariably there is a difference of opinion. Therefore we have to weigh very seriously the constitution of a commission or a board such as it is proposed to appoint under the Bill. I find it rather hard at the moment to determine what would be the best method—that is if the House should affirm the principle—of the creation of a commission such as it is proposed to appoint, and depart from our previous decision against State trading.

Hon. G. W. Miles: The Government will do that if the second reading is passed.

Hon. J. NICHOLSON: The position is very serious and we have to weigh with the utmost care our attitude towards the Bill.

Hon. G. W. Miles: You should force the Government to bring in a proper measure and not this socialistic thing that is now before us.

Hon. J. NICHOLSON: That is what I say should have been done.

The Minister for Country Water Supplies: Why not put up something in the way of a proposal? Suggest means of reducing the cost to industry.

Hon. G. W. Miles: The Government are putting the House in the position that they will have to vote for this principle.

Hon. J. NICHOLSON: How could I possibly put up anything without being invited to do so? It is not the duty of a private member to do such a thing where a matter so vital to the welfare of the State is concerned. It is the duty of the Government of the day to submit a proper measure.

The Minister for Country Water Supplies: You oppose the Bill and you do not suggest anything to take its place.

Hon. J. NICHOLSON: I did suggest a short amending Bill. If we affirm the principle that is in the Bill what will be the constitution of the proposed commission? Who will be the members of it? That is the point I am dealing with. I am not seeking to usurp the privileges nor the rights and duties of the Government. It is their responsibility to help to relieve unemployment, but Bills of this character will create greater unemployment. I have been thinking the matter over and I discussed it with others. One suggestion was made which I am merely going to mention here in order that the Government may think out some other scheme than that now propounded. The idea was to appoint on the board one physician, one surgeon, one insurance representative, not a civil servant, and the chairman, of course, to be the State Government Actuary. In that case the chairman would have the casting vote. The virtue of that suggestion is that the board would be independent. I take it that the physician and surgeon would be selected from a certain number of men holding that qualification and would be nominated by the British Medical Association, Western Australian branch. And the insurance representative will be selected from a certain number of insurance men nominated by the Underwriters' Association. Although the suggestion does not altogether appeal to me as a satisfactory solution, it has this advantage that it means an independent board free from partisanship, in that there is neither an employers' nor an employees' representative on it. In the Bill we have a representative to be appointed from a certain number of men

nominated by the Employers' Federation, and another to be appointed from men selected by the executive of the Labour Party. Both those men will be strong partisans, whereas the more independent the board, the better will it be for all parties, for it will remove the feeling of partisanship.

Hon. E. H. Harris: Would the method of appointment be the same as that in the Bill?

Hon. J. NICHOLSON: The physician and surgeon would be drawn from the ranks of men fully qualified and nominated by the British Medical Association, and the insurance representative would be drawn from a number of insurance men, the Government making the selection from names submitted by the Underwriters' Association.

Hon. E. H. Harris: That is the principle the Minister has enunciated on the Notice Paper.

Hon. J. NICHOLSON: Yes, the principle will be the same. I qualified my remarks by saying that provided the House decides to affirm the main principle in the Bill, then let us find some way out. I am only seeking to examine the Bill and see exactly where we are.

The DEPUTY PRESIDENT: I hope that any minute examination of the Bill will be left for the Committee stage.

Hon. J. NICHOLSON: Except this, that I wish to deal with the matter in a general way on the second reading.

The DEPUTY PRESIDENT: The Chair is allowing every latitude, but I suggest that any minute examination of the Bill be left for the Committee, and that only its main principles be dealt with on the second reading.

Hon. J. NICHOLSON: I do not propose to deal with the clauses in detail; I am only speaking generally.

The DEPUTY PRESIDENT: Some of the interjectors are getting dangerously near to it.

Hon. J. NICHOLSON: Under the Bill assessments are to be made on employers, based on estimated wages varying according to the class of industry. No provision is made in the Bill for the return of over-estimated assessments paid. Members know what the practice is with insurance companies. One makes an estimate giving the number of his employees and the amount he expects to expend during the year in wages. At the end of the year he gives in to the

insurance company a statement of the actual amount paid in wages. If his estimate should happen to be less than the actual payments, then he would require to pay a premium at the fixed rate on the difference. If, on the other hand, he had over-estimated the wages to be paid, he would get a refund in respect of the excess. Under the Bill there will be no return made where a man has over-estimated the amount that he actually pays in wages. That, to my mind, is wrong in principle. If we are going to have this form of insurance, it should be based as nearly as possible on the practice of the insurance companies. The commission assumes the responsibility for all compensation—of course, that is under the guarantee also of the Government—and they assume that responsibility even though the employer has failed to make payment of his assessments or premiums. That is the great weakness of the Bill.

Hon. W. H. Kitson: In what way is it a weakness.

Hon. J. NICHOLSON: In this way: there should be no indemnity where a premium has not been paid. The principle which should be followed is the principle which is followed in insurance at the present time; that is, so long as you pay your premium the individual who is covered by the policy is indemnified against loss. The payment of the premium is necessary to support the right to compensation. It will be impossible even for the commission to know exactly all the employers in the State. There are many small men carrying on business who may accept the risk and not trouble to insure, notwithstanding that under the Bill they are compelled, on notice being given, to make the required returns. Many of them probably will never see those notices and will not even trouble to make any returns. But when an accident occurs the commission will be made fully alive to it and it may be found necessary by the commission to take proceedings against those employers who have failed to make their returns. If those men cannot pay, who is going to pay?

Hon. W. H. Kitson: Do you think the injured worker will suffer?

Hon. J. NICHOLSON: I do not say that, but the Government should realise that it is part of their duty to see that everyone who engages men insures them.

Hon. Sir William Lathlain: That is the law now.

Hon. J. NICHOLSON: But it is not carried out.

Hon. Sir William Lathlain: And when it is, the cost of insurance under the Bill will be greatly increased.

Hon. J. NICHOLSON: That is so, and under the Bill no one will ever know what the limit of his liabilities may be. It is true there are in the Bill penal clauses, but those clauses will not prevent a breach on the part of such employers as I have referred to. Suppose such a man fails to make his return and pay his assessment. It will fall on the rest of the contributors to the fund; that is to say, the employers of the State. Is that going to induce other people to come here and establish industries when they know they have to carry a load and burden like that? I contend it is going to kill industry. And if we do not get industries established here they will go elsewhere where they can carry on more easily and reasonably. The effect of such a system as this is simply that the thrifty are penalised for the advantage of the thriftless.

Hon. G. W. Miles: That has been the Australian policy all through.

Hon. J. NICHOLSON: Unfortunately, yes, and the sooner we get out of following along those lines, the sooner shall we extricate ourselves from our financial difficulties. The framers of the Bill obviously contemplated default; for in Clause 21 it is provided that the Government Actuary may at any time cause to be made all such alterations in or additions to any assessment as he thinks necessary in order to ensure its completeness and accuracy, notwithstanding that the contribution originally assessed may have been paid. It means an unlimited liability, and there is nothing worse in life nor in industry than an unlimited liability. The same thing is perpetuated in some of the other clauses of the Bill. In an ordinary rate notice as sent out by our local governing authorities, when we read the assessment we regard it as final; we do not expect that the road board or municipality will have to send out fresh rate notices after the assessments have once gone out. Such assessments are always regarded as final. So I say the assessment that will be issued by the Commission also should be final. Again,

the Government are giving a guarantee, and it should not become the isolated responsibility of the few employers in the State. The burden should be common to everyone in the State and not be limited to those contributing to the fund and who are helping to absorb the unemployed. That is where the mistake lies, in those wrong principles.

Hon. E. H. Harris: Do you suggest that the assessment should be fixed for a period of 12 months, as in the case of those issued by a municipality?

Hon. J. NICHOLSON: When an assessment is issued by a road board or municipality, it is always regarded as final.

Hon. E. H. Harris: It covers a period of 12 months.

Hon. J. NICHOLSON: Yes.

Hon. E. H. Harris: You suggest that should apply in the Bill?

Hon. J. NICHOLSON: It should apply here.

Hon. E. H. Harris: Can we not amend it?

Hon. J. NICHOLSON: That would be a matter for consideration if the Bill be accepted. It is the principle I draw attention to.

Hon. W. J. Mann: Cannot a road board make a supplementary assessment?

Hon. J. NICHOLSON: Only in special circumstances.

Hon. W. J. Mann: But these would be special circumstances.

Hon. J. NICHOLSON: The circumstances are so extraordinary.

Hon. W. J. Mann: They would be extraordinary in the other case.

Hon. J. NICHOLSON: There would be bound to be extra assessors. No one can tell me that this will reach every one of those contractors to whom I have referred. There will be unlimited liability. The principle laid down in the Bill will be a direct incentive to many employers to make default. That is wrong. It will destroy the inducement to anyone to establish industries here and provide employment, which is what we want. Let us act upon those principles and do those things that will forward this desire.

Hon. W. H. Kitson: This Bill will not do it.

Hon. J. NICHOLSON: The Bill would help to destroy industry, and not build it up. The Leader of the House says that in-

dustry must face this charge. If we look at the Bill we find there will not be that relationship which now exists to establish liability between employer and worker. One has only to scan it to see that that relationship should exist. It is that relationship which has established liability for workers' compensation throughout the length and breadth of the world. If that relationship does not exist, there should be no liability.

Hon. G. Fraser: The waiting clauses in the Bill do not improve that relationship.

Hon. J. NICHOLSON: I suggest there is no relationship of employer and worker existing between me, as an employer, and the worker engaged, say, by Mr. Mann. We may happen to be in the same industry. No relationship exists between Mr. Mann's workers and myself. There must be the relationship of master and servant. If I pay my assessment and some other employer in the same industry fails to pay his assessment and one of his workers is injured, the other employers under the Bill would be liable to make up the deficiency in the fund.

Hon. E. H. H. Hall: That would be the relationship.

Hon. J. NICHOLSON: That is where the trouble would arise. Some other employers may make default. One may be careless or indifferent or thriftless. As a result of these things he does not pay and the responsibility lies on the other contributors for the deficiency. This is most unfair and inequitable. I submit emphatically that the determining factor in regard to liability should be the relationship I have spoken of. Because I happen to be one of the contributors to the fund or to be an employer, I should not be made liable for another man's default. I believe that in the other States, with the exception of Queensland, and in New Zealand and other countries where such a principle is adopted, it is laid down that there is no liability on the part of the fund in cases where the contributors to the fund had made default in the payment of their assessments. Why this State in its present crippled financial position should have to carry a scheme like this astounds me. The Leader of the House referred to Canada and the States of America. I venture to say those were cases not parallel with ours. The Minister acknowledged that in most of the other countries domestics and farm

workers were not covered. That is true, but I will show there is something more. There is great diversity in the liability concerning workers' compensation in the laws of the different States of America. I am now going to quote from the year book for 1931. Page 45 states that out of the 80,000 employees in Western Australia in 1929, nearly 40,000 were engaged in farming, dairying, fruitgrowing and the pastoral industry. All those people, by our laws, are to be insured. But not one of them requires to be insured under the laws in force in the States of America. I would refer members to a pamphlet which I received by post, and which I think other members received. It is headed "Workers' Compensation. Some Advantages of Competition." I read its contents with some interest. At the end it deals with the report of the Royal Commission of 1930 on the New Zealand Workers' Compensation Act. It is interesting to note the position set out as a result of the investigations of that commission. The pamphlet states as follows:—

On the important question of comparative cost, the evidence shows that the low working expense ratio in Ontario (in 1927 it was 6.54 per cent. on the basis of comparison adopted in New Zealand) is due to a considerable extent to the fact that workers' compensation liability in that province (as in nearly all American States irrespective of whether competitive or monopolistic insurance systems operate) is not imposed upon farmers, employers of domestics, or small employers. For example, the following industries are excluded: Wholly—florists, seedsmen, gardening, fruitgrowing, hand laundries, barber shops, undertaking, mail carrying, wholesale or retail mercantile business, hotel-keeping and restaurant-keeping, public garages, photographers; where less than six workmen are usually employed—butter and cheese factories, power laundries, operation of threshing machines, confectioneries, bakeries, cutting, hauling or hewing logs, the business of window cleaning; where less than four workmen are usually employed—repair shops, blacksmiths, upholstering, picture framing, butchering. In New Zealand, on the other hand, the liability extends not only over the whole industrial field, irrespective of the nature or size of the industry, but even beyond it, and the demand is for the removal of the few remaining exemptions.

Hon. W. H. Kitson: Do you agree with those exemptions?

Hon. J. NICHOLSON: I do not say so at all. It is a matter of comparison. The Leader of the House cited certain cases and mentioned that domestic and farm workers were not included. I want to show that the

position in the States of America is far more extended than was pointed out by the Leader of the House. Not only are farmers and domestics excluded, but the other classes of workers I have referred to.

The administrative cost in New Zealand, therefore, of a collective-liability system on the Ontario model, applied to all employers under the Act, however distantly situated from the administrative centre and without regard to the smallness of the wage-sheet, must of necessity be much higher than in Ontario, and might be expected to approximate that of Queensland, where State monopoly (not a collective-liability system as in Ontario) operates over a field of coverage more comparable with that of New Zealand. The expense ratio in Queensland in 1929 was 15.6 per cent.

In conclusion the Commission say—

We have arrived at the further conclusion that without the support of both employers and workers, the establishment of a monopoly—whether State or collective-liability—would at the present time and under present conditions be a doubtful experiment of a far-reaching character not warranted by the possible saving in cost.

Even that State which recently has figured so largely on the horizon under the Premiership of Mr. Lang, New South Wales, had a Commission on workers' compensation; and the Commission reported—

In the competitive field of compulsory workers' compensation insurance 44 licensed insurers operate. They comprise the Government Insurance Office, Mutual Indemnity Associations, tariff companies, and non-tariff companies. The premium rates for insurance charged by the Government Insurance Office and the tariff companies are identical, and for insurances continued during the current year these insurers allowed a rebate of 20 per cent. off tariff rates. The Mutual Indemnity Associations allowed varying rebates, which usually were greater than those allowed by the other groups of insurers. Further, 70 employers, representing a wage-roll of £31,567,844, have become authorised self-insurers with the object of reducing the cost of their workers' compensation liabilities. The fact that employers may self-insure has, no doubt, acted as a deterrent to higher charges for insurance being made by insurers. . . . Experience has shown that competitive insurance operates in the interests of the workers, and ensures that minimum insurance rates are charged to employers.

Hon. W. H. Kitson: Not in this State.

Hon. J. NICHOLSON: A letter I received from an insurance company yesterday said they had nothing to do with any association of insurance companies, and quoted cutting rates. Lloyds, I am informed, do the

same; and I think Sir William Lathlain recently mentioned an instance.

The Minister for Country Water Supplies: How do their premiums compare with those in New South Wales?

Hon. J. NICHOLSON: I do not know.

The Minister for Country Water Supplies: The New South Wales premiums are much lower.

Hon. J. NICHOLSON: At any rate, what I have read serves to show why rates of insurance are lower in Canada and the United States. They are also lower in other Australian States and even in New Zealand. Apparently the same question has been raised in New Zealand. Every insurance premium or rate must be measured by the risk covered. Take, for example, fire insurance. If one is carrying on a dangerous business in a building, naturally the risk is greater than it would be if the business were not of a dangerous character. Therefore the rate of insurance in respect of the building and the property in it is much higher than would be the case in, say, one's own household. Under the Bill there is no limit on the assessment of employers, whether they are manufacturers, or farmers, or others employing workers. Against this, if I insure with a company at the present time, the rate which I pay to that company is fixed. The company cannot charge me any higher rate than that agreed. The rate is current for a year. But that is not so under the Bill, and it represents one of the disadvantages of the method suggested.

Hon. Sir William Lathlain: In the case of a company you know the end of your liability.

Hon. J. NICHOLSON: Surely, then, there is need for maintaining competition and the right of people to insure as they please. The present scheme is founded on an entirely wrong principle, and an unfair basis. Clearly it is necessary to preserve the rights that individuals now have, and to maintain the competitive system.

Hon. W. J. Mann: Is there any competition now?

Hon. J. NICHOLSON: Undoubtedly. I can give the hon. member instances.

Hon. W. J. Mann: I thought there was a "gentlemen's agreement."

Hon. Sir William Lathlain: Lloyds are in opposition to all the other companies.

Hon. J. NICHOLSON: I have here a letter which was put in my box yesterday. It is from the General Accident Fire and Life Assurance Corporation, Limited, and it reads—

Workers' compensation insurance. Certain erroneous statements have been made recently, both in and out of Parliament, regarding insurance business in this State, and I request the liberty of addressing you with a view to correcting these impressions. It seems to be generally accepted that there is an insurance ring which prevents competition amongst companies for business, but I desire to advise you that this corporation, with assets exceeding £14,000,000, is operating in this State as an independent office, and has no rating agreements with any other insurance organisation. In fact, it is now writing many classes of business at greatly reduced rates. The present Workers' Compensation Act does not permit of any reduction in premiums, but if the vicious sections of the Act are removed, and freedom of competition permitted, I claim that the policy of this corporation is a factor that will safeguard industry from being overcharged, either by the State office or any other insurers.

Hon. W. H. Kitson: How many more companies would say the same thing?

Hon. J. NICHOLSON: I cannot tell you. However, Lloyds operate here.

Hon. W. H. Kitson: Are they members of the Underwriters' Association?

Hon. J. NICHOLSON: I do not know. The manager is Mr. H. W. Bailly.

Hon. W. H. Kitson: They are a reputable company.

Hon. J. NICHOLSON: Yes.

Hon. J. Ewing: Will they cover all industries?

Hon. J. NICHOLSON: From the letter I understand that they are prepared to take all classes of risks.

Hon. J. Ewing: They do not.

Hon. W. J. Mann: Will they take miners' phthisis risks?

Hon. J. NICHOLSON: I do not know. They do not say they will. I do not suppose they do, any more than other companies. The only exemption from contribution given by the Bill is that in Clause 14, and it is in favour of persons who have already established funds before the commencement of the measure. It is to be noted that the exemption is of a permissive character entirely. It may be granted, and it may be revoked by the Minister at any time.

Hon. E. H. Harris: All we need do is to insert "shall" instead of "may," and that will overcome the difficulty.

Hon. J. NICHOLSON: A question that occurs to me is why this exemption should apply only to concerns established before the commencement of the measure. Mr. Harris is interested in a province which plays an important part in mining. We are doing what we can to advance that industry. Even at the present time the Minister for Mines is in the East putting before the people there the wealth of our country in gold and other minerals.

Hon. E. H. Harris: With a sample of what we produce.

Hon. J. NICHOLSON: Yes, he is showing the people in the East that wonderful nugget, and trying to induce them to invest here. In any event, new companies, whether in mining or in other activities, are desired by us all to be established here; and why should not we give those new concerns the same facilities as are granted to concerns which happen to have been here before, and to have established insurance funds? The omission is extraordinary, and requires some explanation. Probably the Leader of the House will say, "We are prepared to extend the exemption." If he is prepared to do that, I am surprised that these things are not provided for or foreshadowed. In reading the measure, it seems to me that it must have been brought forward without due consideration. I take another instance. Why should not associations like the Primary Producers, or the pastoralists and other bodies, be allowed to establish their own funds for their respective industries? I see no reason why they should not.

Hon. Sir William Lathlain: And what about the associated shopkeepers?

Hon. J. NICHOLSON: I merely mention these matters in passing, so that hon. members may turn them over in their minds and see, in the event of the Bill reaching the Committee stage—

Hon. E. H. H. Hall: This is to try to force them to do it. It should have been done long ago.

Hon. J. NICHOLSON: I am trying to make up for the deficiencies of the Government in introducing a Bill which appears so imperfect. I have dealt with one particular aspect of the case perhaps somewhat more fully than I had intended to do. However, that aspect comprises the main principle of

the Bill. The other principle, a new one, is that granting compensation to contractors, extending the right of compensation to contractors. If hon. members turn to the definition clause, they will see that a contractor who takes a contract for work at over £5, and shows that he earns less than the stipulated £500 per annum, becomes entitled to compensation benefits, if there is no award affecting the particular industry in which the contractor is engaged. In that event the basic rate of wages will apply. The first thing that occurred to me when I considered that phase was the position of some people who would be engaged in the agricultural industry on dam sinking, clearing, or some such work. There is, I think, no award to cover the class of work I have indicated. Although it may be hard to believe that the earnings of a contractor doing dam sinking or clearing would not comply with the requirements of the legislation, it is often very difficult to get definite information regarding earnings. A man in that position might endeavour to show that a contract had been carried on at a loss. If the contractor happened to be injured, he would claim compensation although he might actually have been earning more than the £400 or £500 specified in the Bill. That position would arise because of the difficulty the commission would find in proving the actual earnings of the individual. There are many other difficulties that will arise in connection with the agricultural industry, and an obviously unfair position will be set up. I would remind hon. members that protective provisions were inserted in the parent Act, which were included at the instigation of country members. Perhaps the Leader of the House will consider that position and restore the provisions of Section 11 of the Act dealing with sub-contractors. Those provisions have been omitted from the Bill because of the proposal for the establishment of a commission against which action will have to be taken for compensation. On the other hand, if the members of this Chamber do away with that phase and amend the Bill so that the companies can carry on this class of insurance, and people will be permitted to insure with whatever company they so desire, it will be necessary to include portions of Section 11, particularly the two provisos that read—

Provided that where the contract relates to threshing, ploughing, or other agricultural or pastoral work, and the contractor provides

and uses machinery driven by mechanical power for the purpose of such work, he and he alone shall be liable under this Act to pay compensation to any worker employed by him on such work:

Provided also where the contract relates to clearing, fencing, or other agricultural or pastoral work, the contractor alone shall be liable under this Act to pay compensation to any worker employed by him on such work.

Hon. G. W. Miles: Yes, those provisions will have to be restored.

Hon. J. NICHOLSON: We must bear that in mind when we consider the amending of the Bill. We must safeguard the position of the farmers as much as possible, because we know the gravity of the situation in which they find themselves to-day. I have been told that there are many connected with the Primary Producers' Association who are in favour of the Bill being amended to give the insurance companies the right to carry on their own business and to permit people to insure as they please. No doubt the Minister can verify that assertion. There is another matter of importance that requires attention. I refer to the alteration in the amount earned by those who will be affected by the Bill, that amount having been increased to £500 from £400.

Hon. Sir William Lathlain: Why was that amount raised?

Hon. J. NICHOLSON: That is one point on which we require some enlightenment. The State is faced with a financial collapse, and the people are living in times of diminished income returns.

Hon. G. W. Miles: And there is talk of the 20 per cent. reduction.

Hon. J. NICHOLSON: Instead of a reduction, we find an increase of 25 per cent. in this instance. It is inexplicable, and I hope the Minister will deal with that phase.

Hon. G. W. Miles: It was accepted to pacify the Opposition in another place.

Hon. G. Fraser: Do you not think industry should accept the responsibility for its injured workers?

Hon. G. W. Miles: Yes, but the compensation should come down instead of going up in these days.

Hon. J. NICHOLSON: That is the position, in view of the financial situation to-day. I will not deal at length with any other point, although much more could be said. There is that part of the Bill referring to the medical board, which is perhaps

the best feature of the measure. Then there are the schedules to be considered as well.

Hon. G. W. Miles: What about the comparison of compensation payments here and in the Eastern States?

Hon. J. NICHOLSON: All these other points can be dealt with, and I shall be glad to hear the views of Mr. Miles. The main question, however, is: Do we approve of Parliament sanctioning what amounts to national or State insurance?

Hon. G. W. Miles: If not, we should reject the Bill at the second reading stage.

Hon. J. NICHOLSON: In to-day's paper the Minister for Works reiterated what he has asserted at different times, that what is aimed at is not State insurance but merely a compulsory contribution by industry to establish a fund to compensate workers injured in the course of their employment. I think I have said enough to refute that suggestion. The present Act makes compulsory, he said, insurance by the employers of their workers. I have, I think, shown that the liability for compensation should exist as between the employer and the worker employed by any person or firm. All employers should not be compelled, as the Bill provides, to contribute to a fund for the purpose of providing compensation for employees of a person who may default in the payment of his assessments. If a person insures his own employees, surely that should be sufficient, without providing any additional liability. The Minister claims that this is not insurance. I contend it is really national insurance and the creation of a monopoly in favour of the Government-controlled fund. Many hon. members have expressed themselves emphatically against monopolies. How can we support the proposal in the Bill? Would any hon. member, if asked to support the sugar monopoly or bounty, agree to do so? Of course not. If we do support such a monopoly as this, then the State must suffer irreparable damage. I say that because of some views expressed by the Chief Secretary at Merredin in the second of his able addresses on the present situation. He rightly and wisely emphasised the need for financial support to the primary industries to help them over this period of difficulty, and to limit our borrowings as far as possible to their needs. If we pass the Bill in its present form, will the financial institutions be ready and willing to support

our appeal? I leave hon. members to think seriously on that position.

Hon. W. H. Kitson: The financial institutions should be willing to, because they have had a good run.

Hon. J. NICHOLSON: I do not think they will be ready to do so. Rather than support the proposal for the creation of a monopoly as outlined in the Bill, I am disposed to vote for the rejection of the measure. If the House is prepared to consider and amend the main provisions of the Bill so as to leave companies and individuals the open door of freedom of contract and right to insure with whomsoever they please, then I may feel justified in supporting the second reading of the Bill. I believe even the Primary Producers' Association is in accord with that view. If the House adopts the course I have suggested, then I submit it will save the present Government from passing what I regard as a most unwise and unjust piece of legislation. To effect modifications, several amendments will be necessary. I am considering amendments with that object in view, and I will endeavour to place them on the Notice Paper as soon as possible, and will assist the Minister as far as I can. At the same time I hope the Minister will give us ample time to deal with that phase. In the meantime I will listen to the views of other hon. members with interest, and shall determine later on whether I shall support or vote against the second reading of the Bill.

Hon. G. Fraser: Stick to your guns, and vote against it.

Hon. G. W. MILES: I move—

That the debate be adjourned.

The MINISTER FOR COUNTRY WATER SUPPLIES: I shall not oppose the motion, but in view of the urgency of other legislation that will be before us shortly, I trust members will assist me by being prepared to proceed with the debate and not seek adjournments after one speaker only has continued the discussion. I would like to dispose of the Bill as quickly as possible.

Hon. G. W. Miles: We want to hear the views of those who are in favour of the Bill.

The MINISTER FOR COUNTRY WATER SUPPLIES: The Bill will take

some time to deal with at the Committee stage.

Motion put and passed.

Sitting suspended from 6.15 to 7.30 p.m.

BILL—STATE MANUFACTURES DESCRIPTION.

Second Reading.

Debate resumed from the 25th June.

HON. J. T. FRANKLIN (Metropolitan) [7.30]: I should have liked the Government to go a little further than they have actually gone in the Bill, by bringing in a provision under which we could make sure that the people of the State would utilise locally manufactured goods. I notice in Clause 3 that the Government themselves are not quite sure whether they will carry out the provisions of the measure, for they say they may make regulations. I certainly think the Government should convert "may" into "shall." Again, in Clause 4 we find that persons selling or exposing for sale in Western Australia goods produced or manufactured in Western Australia may do certain things. There also the provision is not definite; there is nothing compulsory about it. If I am manufacturing goods, it is not compulsory that I shall brand them as having been made in Western Australia. I think the Bill should go further if it is to do any good at all; it should be made compulsory. Then we find that anyone selling imported articles must take the whole responsibility for their being up to standard if they have those goods branded by a mark showing that they have been made in other States, or if they are stamped by the Government standard. Of course we know it is impossible for local merchants to guarantee that imported goods are according to standard. Serious objections, I think, can be raised to Clause 6, paragraph (b) of which provides that the State mark shall not be affixed to any goods unless they have been, in fact, produced or manufactured in Western Australia, and that no one shall affix or use any grade mark in conjunction with such State mark unless the goods conform to the prescribed description. Who is to prescribe the description, the Government or the manufac-

turer? If it is the Government, then I think instead of economising they will be going in for the appointment of a very large special staff to carry out these obligations. And if the Government have to do it, the local manufacturer will have no say in it. When a local manufacturer produces an article, he should stand up to the standard to which he says that article conforms. In paragraph (d) of Clause 11, it is required of any person manufacturing goods in and for sale in Western Australia, or selling in Western Australia goods produced or manufactured in Western Australia, that he produce all books, vouchers, letters and documents relating to the manufacture of such goods. But what manufacturer is going to give away the secrets of his trade? I am sure no manufacturer is prepared to reveal the formula used in the making of any particular article. We know that when it comes to medicines the formulae have to be submitted to the Health Department, but surely it is not necessary that the manufacturer of goods for the use of the people of Western Australia should give away his secrets. Then in paragraph (e) of Clause 11 it is provided that an inspector may require any person whom he has reason to believe to be or to have been within the preceding six months employed or engaged by any person in relation to the manufacture or sale of goods to answer any questions touching any matter arising under previous provisions, and to require such person to make and sign a statutory declaration of the truth of the matters respecting which he is so questioned. That is hardly fair to the manufacturer who employs a large body of men. Possibly the business may have gone down a little, and the manufacture of a given article has ceased, or some employee may have been dismissed and so may have a grievance against the manufacturer. It is not fair that the manufacturer should have this rod held over his head for six months while the department are deciding whether or not to make inquiries. To me it seems like putting unnecessary regulations around the manufacturer's neck. Paragraph (c) of Clause 15 describes a definition of standard or quality for any particular class of goods to be indicated by the use of any special grade mark, while paragraph (d) prescribes the fixing of the standard or grade marks. It is only putting the manufacturer to a lot of unnecessary ex-

pense and inconvenience. We are proud of our manufacturers, and we should try in every way to assist them, so that their goods shall be protected, but not with any of these restrictions, which only lead to more trouble and inconvenience for the manufacturers of Western Australia.

Hon. E. H. Harris: Do you not think the Bill should prescribe the position in which the brand is to be affixed?

Hon. J. T. FRANKLIN: I take it the manufacturer would suggest to the department that the brand should be placed on a certain part of the furniture or goods manufactured. I do not think that will entail very much inconvenience on the manufacturer. But the Bill puts many irritating restrictions on him, restrictions which will serve no good purpose. We should try in our legislation to assist manufacturers to make a success, not only of the goods they are manufacturing at present, but also of those which I feel sure they will be manufacturing in the near future. While I will support the second reading, I believe the manufacturers of Western Australia would be able to carry out the manufacture of their goods without any unnecessary laws, and that it would have been better if the Bill had not been brought down. I may have something further to say in Committee.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [7.40]: I cannot follow the hon. member. He begins by blaming the Government for not being mandatory, and he ends by saying we are putting too many restrictions on the manufacturer. How can he reconcile those two attitudes?

Hon. J. T. Franklin: Quite early in the Bill you say "may."

THE MINISTER FOR COUNTRY WATER SUPPLIES: Why? Because we do not want to load restrictions on to the manufacturers. The time may come when the State will be in a position to say "shall," but we do not want to inflict any inconvenience on the manufacturers. What we desire is to put them in a position, if they wish it, to affix a special mark on the goods, showing that they are of Western Australian production. The hon. member said the Bill should contain something that would compel people to use locally manufactured goods. How could that be done? The Government would be only too willing

to do it if it were possible. Then the hon. member said that Clause 6 contemplated the appointment of an extra staff. That is not so. Already we have a staff that can safeguard the position, and there will be no occasion whatever to appoint a special staff. The hon. member went on to say the manufacturer stands up to the standard of his goods. But then he quarrels with the Government because the Bill requires the production of the particulars of those goods. How are the Government to define the standard of those goods if they have no information on the point? They must have those particulars. The hon. member referred to Clause 15. That clause is for the making of regulations. In a Bill of this sort there must necessarily be provision for the making of regulations, but hon. members can find in the Bill nothing to show that the Government are going to frame regulations that will be harsh on the manufacturers. The essential purpose of the Bill is the helping of the manufacturers, so it is not likely that any harsh regulations will be framed. The hon. member said he was proud of the local manufacturers and also of their products. We all are. We know that the quality of their products is good. The quality of our grown produce, butter, cheese and pork, is good. Why should it not be good? What the Government desire is to put producers and manufacturers into the position of being able to affix marks to the goods showing that they were raised or manufactured in Western Australia. The affixing of such marks will be quite optional. When such marks are used, the purchaser, particularly the housewife, will know that the goods were genuinely produced or manufactured in the State and will not be misled, as at present, by small lettering on the label "Packed expressly for so and so in Western Australia." That sort of thing is misleading many people to-day. I trust that the Bill will be passed expeditiously in order that producers and manufacturers may have an opportunity to use the mark, establish a standard, and thus command greater support for their commodities.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Nicholson in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4—State mark or grade mark may be attached to Western Australian goods.

Hon. J. T. FRANKLIN: After the Minister's statement that the marking of goods will be optional, I cannot continue my objection to the permissive nature of the clause.

Hon. G. FRASER: I am pleased that the clause is not mandatory. One local factory sent 60 per cent. of its output to the Eastern States, and the articles were returned here bearing an Eastern State's brand. Residents of the State were not sufficiently patriotic to support locally made goods.

Hon. J. T. FRANKLIN: I can endorse Mr. Fraser's remarks. The same thing occurred in connection with a line of chocolate. That is one reason why the clause should be made mandatory.

Clause put and passed.

Clause 5—agreed to.

Clause 6—Offences:

Hon. E. H. HARRIS: When the tariff was under consideration in Melbourne, it was stated that a firm imported Panama hats from overseas, but the inside bands were added in Melbourne. Those bands were branded, "Manufactured in Melbourne." Could the object of the Bill be defeated in the same manner?

THE MINISTER FOR COUNTRY WATER SUPPLIES: I think paragraph (d) covers the point raised by Mr. Harris. If the brand were stamped as suggested, it would be a device calculated to deceive.

Hon. E. H. Harris: But the band was the only part that was branded.

THE MINISTER FOR COUNTRY WATER SUPPLIES: The band is part of the hat.

Hon. E. H. Harris: Would paragraph (d) prevent that from happening?

THE MINISTER FOR COUNTRY WATER SUPPLIES: I think it would, but I shall obtain the opinion of the Crown Law authorities on the point.

Hon. W. J. MANN: The position might be met by recommitting Clause 2 and making it apply to goods "wholly" made in Western Australia.

THE MINISTER FOR COUNTRY WATER SUPPLIES: Mr. Mann's sugges-

tion might go too far. I am prepared to make inquiries from the Crown Law authorities.

Clause put and passed.

Clauses 7 to 10—agreed to.

Clause 11—Powers of inspectors:

Hon. J. T. FRANKLIN: Paragraph (d) empowers an inspector to require the production of all books, vouchers, letters and documents relating to the manufacture, acquisition or possession of goods. That would probably mean divulging the formula. A formula is not required in respect of imported goods and it should not be required in respect of locally raised or made goods. I move an amendment—

That after "books" in line 5 of paragraph (d) the word "and" be inserted, and the words "letters and documents" be struck out.

Hon. Sir CHARLES NATHAN: I fail to see the necessity for either paragraphs (d) or (e). It does not seem requisite that books, vouchers and other documents should be produced to establish the fact that goods are made in Western Australia, and are up to the standard required. Perhaps the Minister will explain why these paragraphs were inserted in the Bill.

The MINISTER FOR COUNTRY WATER SUPPLIES: The Bill is designed to prevent persons from taking advantage of the increasingly important market for local products. Unless an inspector has power to enter a factory or other building and examine documents, etc., how can we cope with people who are unscrupulous enough to offer for sale as locally made something that has been imported or made up of imported material?

Hon. H. Seddon: Would not the books show that?

The MINISTER FOR COUNTRY WATER SUPPLIES: Not necessarily. The position could not be safeguarded unless the Act were properly policed. An inspector would not hamper the business of anyone who was working on right lines. The power contained in the Health Act would not extend to this measure; it is therefore necessary to insist on these provisions here.

Hon. J. T. Franklin: Why have the power under the Health Act and repeat it here?

The MINISTER FOR COUNTRY WATER SUPPLIES: The Health Act would not apply in this case. The powers

given under that Act have never been abused, and they are not likely to be abused in this case. I oppose the amendment.

Hon. E. H. HARRIS: I am inclined to support the amendment. Some manufacturers of sandalwood oil have the idea they can recover it from the chips of sandalwood that are discarded in the country districts. They have discovered how to produce oil that is marketable and acceptable to the pharmacopoeia, both here and elsewhere. Under this clause they would have to produce their formula, and full details to some inspector. The Minister might report progress and have this matter further inquired into.

Hon. J. M. DREW: This is a very important paragraph. If it is seriously amended, the Bill will be worthless. Under his permit to label certain goods as Western Australian a merchant may be importing shoddy from elsewhere and converting it into these goods. In order to satisfy his suspicions the inspector should be able to examine the books, documents, and other papers in the factory, and thus prove a charge against the manufacturer. The Bill would be worthless unless full power were given to the inspector.

Hon. W. J. Mann: A paragraph might be inserted to enable a manufacturer to be protected in the case of certain formulæ if he desired to preserve their secrecy.

Hon. G. FRASER: We know that the formulæ for patent medicines have to be sent to the Health Department, and I cannot see why the same principle should not be followed in respect of other commodities.

The CHAIRMAN: Under the Health Act secrecy has to be observed.

Hon. G. FRASER: Would there not be secrecy in this case?

The CHAIRMAN: Not unless the Bill makes special provision for it.

Hon. G. FRASER: I should not like to be the officer who would divulge that sort of information. I oppose the amendment. If there is any doubt about the origin of goods, the authorities should have power to probe into the matter.

Hon. H. SEDDON: I would point out that a formula does not disclose the method of manufacture. This method is usually most carefully safeguarded by those who own the formula. An inspector may, by examining the books and papers of a manu-

facturer, gain an insight into some carefully guarded trade secret. If the amendment were carried, there would still be sufficient safeguard to protect the public from unscrupulous persons, for an examination of the books would disclose whether they were making up goods as Western Australian when they really consisted of some imported material..

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

Ayes	..	..	..	..	8
Noes	..	..	..	..	6

Majority for .. 2

AYES.	
Hon. J. T. Franklin	Hon. W. J. Mann
Hon. E. H. Gray	Hon. G. W. Miles
Hon. E. H. H. Hall	Hon. Sir C. Nathan
Hon. E. H. Harris	Hon. H. Seddon
	(Teller.)

NOES.	
Hon. C. F. Baxter	Hon. G. A. Kempton
Hon. J. M. Drew	Hon. E. Rose
Hon. V. Hamersley	Hon. G. Fraser
	(Teller.)

Amendment thus passed.

Hon. J. T. FRANKLIN: I fail to see the need for paragraph (e). If the Government after the lapse of six or 12 months suspect that a manufacturer has done anything against the law, they still have the opportunity of calling witnesses to prove it. An employee, say Smith, has been dismissed by a firm. Then the inspector under this measure may go to Smith and ask him to swear a declaration that some irregularity has been committed in the process of manufacturing. The conclusion of the paragraph protects Smith by providing that he shall not be required to answer any question tending to incriminate himself. If anything wrong has been done, let the manufacturer bear the brunt of it, but in a manner which will permit of justice and fair play. The manufacturer should first be informed that he is believed to have committed irregularities, and that the Government intend to sift the matter. I move an amendment—

That paragraph (e) be struck out.

The MINISTER FOR COUNTRY WATER SUPPLIES: I fail to understand the hon. member's action. Does he intend to protect those who defraud the public?

The Bill has already been reduced in strength quite sufficiently. If the paragraph is omitted, the Government will not be able to deal with people who commit frauds.

Hon. J. M. DREW: Practically the same provision is in the Factories and Shops Act, and has been in operation for 11 years. I think it is in the Early Closing Act as well. The principle is old, and has been found necessary for efficient administration.

Hon. E. H. GRAY: If the Bill is to be effective, there must be a system of efficient inspection; and the deletion of the paragraph would prevent that. There may be some slyde manufacturers who would put the Western Australian label on imported articles.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clauses 12, 13, 14—agreed to.

Clause 15—Regulations:

Hon. E. H. HARRIS: The Minister might inquire as to the effectiveness of paragraph (d). Quantities of German goods are imported into the country, and ways and means have been devised of fixing the stamp "Made in Germany" in such a place that a microscope is necessary to discover the country of manufacture. The paragraph will, moreover, permit of a trade mark of the same colour as the article being affixed. If the label were of a different colour from that of the article it would be more readily seen, thus affording the public a better opportunity of satisfying themselves whether or not the article has been manufactured in Western Australia. The phrasing of the paragraph might be so altered as to require that, where practicable, the colour of the label shall be different from that of the article itself.

The CHAIRMAN. Does the hon. member suggest also that a specification of size of label should be included?

Hon. E. H. HARRIS: That is a good suggestion. If the label is microscopic in size, it might as well not be there.

The MINISTER FOR COUNTRY WATER SUPPLIES: This clause deals with regulations, and I think Mr. Harris' object will be met if I convey his remarks to the person framing the regulations. The Government have large parcels of samples of the marks used in Great Britain, which

has a similar measure to this. Unfortunately the samples are not at present available for exhibition to hon. members. I do not think there is any cause for alarm. It has to be remembered that the Bill will apply voluntarily and if the producers and manufacturers wish to push the sale of their goods in Western Australia, they will see to it that any mark used is easily distinguishable. As to fraudulent marks, we will have to guard against that phase. Hon. members can rest assured that the position will be attended to.

Clause put and passed.

Title—agreed to.

Bill reported with an amendment.

House adjourned at 8.34 p.m.

Legislative Assembly.

Tuesday, 30th June, 1931.

	PAGE
Questions: Wyndham Meat Works ...	3620
Fire Brigades Board—1, Midland Junction Brigade; 2, Payments by local authorities ...	3620-1
Tax-free loans ...	3621
Bills: Trustees Protection, 1R. ...	3621
Debt Conversion Agreement, 2R. ...	3621
Farmers' Debts Adjustment Act Amendment, returned ...	3633

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

QUESTION—WYNDHAM MEAT WORKS, EMPLOYEE.

Mr. COVERLEY asked the Chief Secretary: What official position is at present held by Mr. C. D. McCoombe on the Wyndham Meat Works?

The CHIEF SECRETARY replied: Manager of supplies branch.

QUESTIONS (2)—FIRE BRIGADES BOARD.

Midland Junction Brigade.

Hon. W. D. JOHNSON asked the Chief Secretary: 1, Has he approved of volunteers displacing permanent firemen at Midland Junction? 2, If so, how many permanent firemen will be displaced? 3, If they are transferred, are they going to vacancies or will they cause the dismissal of others? 4, What is it estimated the annual reduction in payment will be to the Midland Municipal Council as a result of obtaining this free labour? 5, What plant has been removed from the Midland fire station since the employment of volunteers was approved? 6, Does the Fire Brigades Board accept any responsibility in the event of an outbreak of fire at the Midland Railway Workshops, the Federal ordinance stores, the Midland saleyards and abattoirs, and/or the Midland Railway Company's buildings? 7, If not, why not? 8, If it does, how is it proposed to function when volunteers can only be available during leisure time? 9, Do fire insurance premiums vary when permanent firemen are stationed in a town as compared with a volunteer fire brigade?

The CHIEF SECRETARY replied: 1, The Minister allowed an appeal by the local authority against a decision of the Fire Brigades Board in compliance with representations made by such authority that a volunteer fire brigade was necessary at Midland Junction in order to relieve the burden of rates charged. 2, Two. 3, Application will be made to the Arbitration Court to ration the men displaced, and pending such decision the men are temporarily retained at headquarters. The Fire Brigades Board has not yet determined the disposition of the men should the court decide not to grant its application, but in any case every endeavour will be made to retain their services, either by the proposed rationing scheme or by vacancies arising. 4, The estimated annual reduction in the expenditure in the Midland Junction fire district is £400 for the first year and £640 for subsequent years. The reduction in the payments by the municipal council is estimated at £150 for the first year and £240 for subsequent years. 5, A Dennis fire engine has been removed and a Ford engine returned to Midland Junction in lieu of the former. 6, Yes. 7,