Legislative Council.

Tuesday, 15th November, 1927.

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

ASSENT TO BILL.

Message from the Governor received and read notifying assent to the Traffic Act Amendment Bill.

AUDITOR GENERAL'S REPORT.

The PRESIDENT: I have received from the Auditor General a copy of the Treasurer's statement of Public Accounts for the financial year ended the 30th June, 1927, together with the Auditor General's report thereon.

QUESTIONS (3)—MINERS' DISEASE.

Injurious Dust Sampling.

Hon. J. E. DODD asked the Chief Secretary: 1, Has any systematic attempt been made by the Mines Department periodically to ascertain the amount of injurious dust in suspension in the working faces and elsewhere, both underground and in dry crushing plants, on the Kalgoorlie and Boulder mines? 2, If so, by what method, and approximately how many samples have been taken and determined since the proclamation of the Act? 3, Are there any scientific instruments available for the work? 4, If so, how many, and by what trade name are they designated, and what staff is engaged in the work? 5, Have any proper tabulated records been kept showing the individual samples taken, the places where and when taken, and the result of each determination? 6, If so, where can they be perused?

The CHIEF SECRETARY replied: 1, Yes. 2, The tests are made by means of the Kotze konimeter. About 2,000 tests have been made since starting them in 1924. 3, Yes. 4, Two Kotze konimeters are in use to collect dust samples and one Zeiss microscope for counting the dust particles. The work is carried out principally by Mr. Wm. Phoenix, Inspector of Mines, who was sent to South Africa specially to study the methods in use in the Witwatersrand mines, and he is instructing the other inspectors of mines as far as possible. The Government Analyst has also done important analytical work in connection with the composition of mine dust. 5, Yes. 6, They are in departmental reports of Inspector Phoenix, kept in the Inspector of Mines' office at Kalgoorlie and in the office of the State Mining Engineer at Perth. They are summarised in the annual report of Mr. Phoenix, Inspector of Mines, published in the annual reports of the Department of Mines for 1925 and 1926.

Prevalence of Germs.

Hon. J. CORNELL asked the Chief Secretary: 1, In view of the number of miners found, by laboratory examination, to be affected with T.B., have the Government taken any steps towards systematically and scientifically sampling the underground workings of the Kalgoorlie and Boulder mines to ascertain whether tubercular germs are more prevalent there than is usual in other places of employment? 2, If not, why not?

The CHIEF SECRETARY replied: 1, No, but the matter will be referred to the Principal Medical Officer as to whether such an examination would be of value. 2, Answered by No. 1.

Precautions at Wiluna.

Hon. J. CORNELL asked the Chief Secretary: In view of the figures, revealed by laboratory examination, relating to the prevalence of miners' phthisis in the older mines of Western Australia, is the Mines Department insisting upon such a lay-out of the underground workings of the Wiluna gold mines as will conform with methods in vogue elsewhere for minimising the causes of miners' phthisis?

The CHIEF SECRETARY replied: Yes, so far as the Mines Department can control

the matter without exceeding its authority to do so under the Mines Regulation Act and the regulations thereunder.

QUESTION—AGRICULTURAL BANK ADVANCES.

Clearing Work by Foreigners.

Hon. J. E. DODD asked the Chief Secretary: 1, Is it correct that definite instructions have been issued by the Agricultural Bank authorities to enforce the embargo that no advances will be paid for clearing work done by foreigners? 2, Are the Government aware that it is extremely difficult, and frequently impossible, to get Britishers to do clearing work? 3, Are the Government aware that the enforcement applies to large numbers of uncompleted clearing contracts, the work of which has, of necessity, to be ended? 4, Are the Government aware that the enforcement of the embargo will seriously impede development work throughout the State?

The CHIEF SECRETARY replied: 1, Loans for development are issued by the Agricultural Bank on condition the work is done by British labour if procurable. 2, No; not if price and conditions are right. 3, Permission to complete contracts is not withheld where the board is satisfied that British labour was not obtainable when the contract was let. 4, Under the Migration Agreement moneys are provided for development on condition a fixed number of migrants are brought into the State and found employment. The Government are therefore obliged to see that in the matter of employment created by the expenditure of these moneys, preference is given to British subjects.

PAPER—RAILWAY PROJECT, LAWLERS.

Advisory Board's Report.

HON. E. H. HARRIS (North-East) [4.38]: I move—

That the report of the Railway Advisory Board of 1911 on routes from Sandstone and Leonora to Lawlers be laid on the Table of the House.

My reason for asking for the report is that great interest is centred in the possible routes for the proposed railway to Wiluna. I believe that as far back as 1911 the Railway Advisory Board reported on the construction of a line from Sandstone to Leonora via Lawlers. As there are a great number of goldfields on the proposed route from Leonora to Wiluna, and as it is suggested that the railway might be constructed from Sandstone to Wiluna via Lawlers, the report should be of interest

Question put and passed.

The Chief Secretary laid the report on the Table.

BILL—STATE CHILDREN ACT AMENDMENT.

Read a third time and returned to the Assembly with amendments.

BILL—LAND TAX AND INCOME TAX.

Assembly's Further Message—President's Ruling.

Message from the Assembly notifying that the Speaker had ruled affirming the illegality of further considering the request of the Council and desiring the concurrence of the Council in the Bill, now considered.

THE PRESIDENT [4.41]: Message No. 26 from the Legislative Assembly is in reply to Message No. 13 from the Legislative Council. In view of the very unusual language and nature of Message No. 26 from the Legislative Assembly, it is right that, before it be considered in Committee, I should state the exact position. Message No. 13 from this House pressed a request for an amendment in the Land Tax and Income Tax Bill. Message No. 26 states, "The Honourable the Speaker has ruled affirming the illegality of the further consideration of the request made by the Legislative Council." The Bill was returned with the message to this House, and its concurrence desired therein. The question involved is the right of this Chamber to press requests for amendments on Bills the Council cannot amend. That right is disputed by the Hon. the Speaker. I cannot understand the attitude adopted. The reference to illegality is most extraordinary. The course followed by this House is in accordance with our State Constitution. It is also in accordance with Standing Orders approved of, without question, by the present Government through the Governor in Council. It is in accordance

with precedent, and it is in accordance with the practice followed hitherto in this Parliament. It is also in accordance with the practice of the Senate, the powers of which in relationship to the pressing of requests are identical with those of this Chamber. Furthermore, the Hon. Speaker has endeavoured to effect, by a Parliamentary ruling, what a previous Government endeavoured unsuccessfully to effect in a Bill to amend the Constitution. It is not necessary to go back to the reign of Edward III. for confirmation of the fact that the Legislative Council of Western Australia has no right to amend the Land Tax and Income Tax Bill now before us. That was never in dispute. This House does not claim the right to amend the Bill in question. It merely says that it has a right to request an amendment, and to repeat that request in the hope that the Legislative Assembly might, on further consideration, view the matter differently. The practice of the House, whenever it has been so minded in the past, of repeating requests has been productive of satisfactory results. In December, 1920, the Council pressed a request for amendments in the Land Tax and Income Tax Bill, and the Assembly sent back a message asking the Council to reconsider its message. The Council asked for a conference which was granted. As a result, an agreement was arrived at, and the Bill became law. In December, 1923, the Council insisted on certain requests for amendments in the Land Tax and Income Tax Assessment Bill, and sent a message to the Assembly pressing the request for the amendments. In reply the Assembly returned a message asking for a conference, which was granted. On this occasion also, the spirit of sweet reasonableness prevailed, and the Bill became law. In the same month the Council pressed a request for amendments in the Land Tax and Income Tax Bill, and the Assembly sent a message refusing, and again asking for concurrence, and the Council did not further press. The Bill, in due course, became law. In December, 1924, a message was sent to the Legislative Assembly pressing a request for amendments to the Land Tax and Income Tax Bill. A reply to that message was received, announcing that the Assembly had again considered the request for amendments, and declined to make them, and the Assembly returned the Bill to the Council requesting their concurrence therein. The Council then asked for a conference which was granted, and an agreement was arrived at, and the Bill became law. Why should not the course followed on the occasions I have mentioned be followed now? No reason has been given for a change of practice. Confusion may arise in the minds of some because of the old-fashioned idea that the relationship between the House of Lords and the House of Commons is analogous to that of the Legislative Council and the Legislative Assembly. Such an idea is absurd. In the one case there is an unwritten Constitution, whereas in this State the constitutional relationship between the two Houses is clearly set out in writing. The powers of the House of Lords as an hereditary Chamber in relationship to the other branch of the Legislature are much less than those of the Legislative Council as an elective body. A true analogy can be found in the powers conferred by our Commonwealth Constitution on the Senate, and those conferred by our State Constitution in its present form on the Legislative Council. It will be observed that requests were pressed by this Chamber before, and subsequent to, the year 1921. I call attention to that, because even under our State Constitution as it was before 1921, the Council had the undoubted right to press requests, and the endeavour that was made to deprive the Chamber of that right by legislative action failed. Had it been necessary to strengthen that right, the amendment made in our State Constitution in 1921 certainly did so. The constitutional amendment legislation of 1921 repeals Sections 66 and 67 of the Constitution Act, 1899, and Section 46 of the Constitution Act Amendment Act, 1899. It did not replace Sections 66 and 67 of the Act of 1899, but enacted a new section in lieu of the repealed Section 46 of the Act of 1899. This new section, which clearly sets out the powers of the two Houses in respect of legislation relating to appropriation of revenue and taxation, was taken from the Commonwealth Constitution. Section 46 of our present Constitution is, to-day, practically identical with Sections 53, 54, 55, and 56 of our Commonwealth Constitution. When the 1921 amendment of our Constitution, to which I have just referred, was introduced in the Legislative Assembly by the then Premier on the 7th September, 1921, a provision that was included in that Bill, that was not comprised in the clauses dealing with the powers of the two Houses contained in the Common-

wealth Constitution, was a provision of very particular significance in view of the present position. That new provision was as follows:—

> If the Legislative Assembly refuse to make any such omissions or amendments the Legislative Council shall not be entitled to repeat, press, or insist thereon.

That provision, if it became law, would have deprived this House of the right to repeat, press, or insist on requests, but it did not become law. When the Bill reached the Legislative Council the provision was struck out. The Bill was returned to the Assembly with a request for concurrence in the omission of the provision denying the Council the "right to repeat, press or insist on" requests. The Assembly refused to concur, but the Council "insisted" on the omission, and the Assembly then agreed to the Bill as amended. The Hon. the Speaker has now surprised us with a ruling that endeavours to bring about a change in the powers of the two Houses that Parliament actually refused to sanction. That is an attempt to effect, by a ruling, what Parliament has already said should not be done. Prior to the 1921 amendment of our State Constitution, the Council, as I have pointed out, had pressed amendments, but the change effected in it by the adoption of clauses intended for a Parliament of what is a union of sovereign States, even more clearly establishes that power. One paragraph of Section 46 of our State Constitution, as it is now, says:—

> Except as provided in this section the Legislative Council shall have equal powers with the Legislative Assembly in respect of all Bills.

Section 46 of our Constitution lays down that Bills appropriating revenue or moneys or imposing taxation shall not "originate" in the Council. Furthermore, the Council "may not amend" any Loan Bills, or Bills imposing taxation, or Bills appropriating revenue or moneys for the ordinary annual services of the Government, nor may the Council "amend" any Bill so as to increase any proposed charge or burden on the people. The limitation on the Council's powers is with respect to certain Bills the Council cannot "amend," or cannot "originate." However, it is stipulated that "the Legislative Council may, at any stage, return to the Legislative Assembly any Bill which the Legislative Council may not amend, requesting by message the omission or amendment of any item or provision therein." The right to make a request cannot be disputed. A request though repeated or "pressed" is still a request, and the Constitution distinctly states that except in the right to "amend" and to "originate" a certain class of Bills, "the Legislative Council shall have equal power with the Legislative Assembly in respect of all Bills." Quick and Garran's "Annotated Constitution of the Australian Commonwealth" has been quoted in support of the ruling of the Hon. the Speaker. That contribution to the interpretation of our Commonwealth Constitution was written and published before the operations of the Constitution were seen in actual practice. The learned authors in the introduction said:—

> We are fully sensible of the difficulty of attempting to expound a Constitution before it has been the subject of practical working or judicial exposition. It is impossible to foretell where the real difficulties will be found, or how they will be met The experience of other countries is a guide, but not an infallible guide, and the development of the Constitution must assuredly follow lines of its own.

These words from the preface have proved true. The development of the Commonwealth Constitution has followed lines of its own. Unfortunately no second edition of the work has been published, for Sir John Quick and Sir Robert Garran would be the very last to deny that their interpretation of the Constitution, in many important respects, is quite different from what is now its accepted meaning. One striking example is with regard to the Senate's power to press requests—a power that is commonly exercised. In confirmation of this, I instructed the Clerk of Parliament to telegraph the Clerk of the Senate as follows:—

> Please wire whether Senate customarily presses requests to Bills Senate cannot amend. If so, cite few cases.

The reply received was as follows:—

> Yes. Senate when so minded presses requests. See Customs Tariff Bills of 1907, 1908, and 1921. Also Appropriation Bill, 1903. Monahan, Senate.

Instances other than those mentioned in the telegram may be found in the Commonwealth "Hansard." As our State Constitution is identical with our Commonwealth Constitution in so far as it relates to the powers of the two Houses to press requests, this Council, when the Standing Orders

were last revised, adopted in full the Standing Orders of the Senate in the matter of pressing requests. These revised Standing Orders were approved, on the 30th October, 1924, by the Governor in Council of the day. That is to say, they met with the favour of the Cabinet of the day. I may mention that the Government that approved of them, embodying as they do the right to press requests, is the Government that is now in office. Yet, the Hon. the Speaker rules as "illegal" what the approval of the present Government, through the Governor in Council, has given the force of law to. The Leader of the Government in this Chamber clearly recognised the right of this House to press, if it was so minded, the request contained in Message 13 to which objection is taken. When the message was received, he, knowing that the request could be pressed, moved that "the request be not pressed." He thus recognised that if the majority of the House so wished, the House was within its rights in pressing the request. The House decided to press the request. Indeed, no member of the Ministry can consistently agree that to press a request is illegal, when to do so has been approved of by the members of the Cabinet themselves, through the Governor in Council. No doubt, there are those who regret the failure to amend our State Constitution so as to make it "illegal" for the Legislative Council "to repeat, press or insist on" requests. Even those who regret that the effort then made was not successful must, however, recognise that our State Constitution, as it is, must be upheld, and that it is not competent for it to be amended except with the consent of an absolute majority of both Houses of the Legislature. It is possible differences of opinion may exist as to the best course for this House to take regarding Message 26, and therefore I feel that it is not for me to suggest what should be done, but I am confident that in whatever it does, this Honourable House will act wisely and in the best public interests.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [5.0]: I move—

That after the statement the President has been good enough to make for our guidance and in order to give members an opportunity to consider it, the Order of the Day for the consideration of Message No. 26 be adjourned until the next sitting.

HON. A. LOVEKIN (Metropolitan) [5.1]: I second the motion for the purpose of saying that I would be glad, and I am sure other members would also be glad if you, Mr. President, would direct that your pronouncement be published in the Minutes, so that we may have an early opportunity of reading it for ourselves.

Question put and passed.

BILL—BROOMEHILL LOT 602.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [5.2] in moving the second reading said: The Broomehill Agricultural Hall is erected on Lot 602. In the Title it is stipulated that that lot shall be used solely for an agricultural hall. The board are of the opinion that the hall which has been erected on the lot for some time has outlived its usefulness, and they wish now to sell the site of the building and also the building itself, and use the proceeds towards lining the present Broomehill public hall, which is its property, and to build road board offices and public rooms in front of it. The Bill will give the board the necessary power. The hall was erected in 1896 at which time the Government made a grant of £250 towards its erection and also another grant of £60 in 1914 to pay off an overdraft. I move—

That the Bill be now read a second time.

Question put and passed.

In Committee.

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

BILL—STATE INSURANCE.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [5.6] in moving the second reading said: State insurance was made a prominent feature in the campaign of the Government during the last general elections. It was dealt with by every Labour candidate, and the general experience was that the country was strongly in favour of it. Even among those who were opposed to the Labour Party, there were many who admitted that this plank in their policy was sound, and that State insurance would be a

benefit to the community. The Legislative Council, last session, was prepared to endorse the principle—in fact, did endorse it—but members desired to limit the activities of the Government in such a way that the usefulness of the legislation would be considerably restricted, and the prospects of success on the narrowed lines proposed did not appear to be inviting to the Government. In the present Bill, powers are asked to undertake general insurance, but caution will no doubt be exercised in connection with extensions. We shall probably feel our way, so to speak. Insurances under the Traffic Act are made compulsory under that measure and as the Government have been repeatedly offered business of this description, and as the Government have forced the owners of buses carrying passengers for hire to insure those passengers, it follows that the State should provide facilities for doing so at reasonable premium rates. That the Government, through its economical administration of the department, is in a better position than private companies to supply cheap insurance is a proposition I shall endeavour to prove in the course of my speech. State insurance is now so widely accepted, and the principle is so generally recognised that a lengthy introduction to the subject should not be necessary. It is extensively admitted in Australia that insurance is a legitimate field of enterprise for a State to enter, and while there may be some difference of opinion as to the advisability of a Government engaging in certain forms of trading, it has for long been accepted that, in undertaking insurance business, a State is carrying out an ordinary function of government. Evidence of the truth of this assertion is readily available. It is supplied by the actions of the different States of Australia and the Dominion of New Zealand, each of which has established a State insurance office. Western Australia was the last Australian State to embark in such business, whereas in New Zealand, the State Accident Insurance Office has been in existence for over 26 years, while the life office was founded as far back as 1869. In other countries of the world, State insurance has, for many years, been an established fact. It is notably so in America, where out of the 48 States which have legislation governing insurance, 17 States possess a Government office. In eight out of the 17 States, the Government office have a monopoly of worker's compensation insurance. As to whether or not the Government insurance offices have been a success, I shall submit figures which will prove conclusively that this class of work can be conducted by a Government department with a profit to the State, and a saving to the policy holders. Taking the experiences of the different Australian States first, it is interesting to note the financial results of the operations of the State office in Victoria. The Victorian State office was established in the year 1914, when the Workers' Compensation Act of that year was passed. Two of the provisions of the Act were that insurance by employers should be compulsory and that a State office should be established. This office operates in competition with other companies and the policies issued by it are guaranteed by the Government. One of the first effects of the operations of the office was a reduction of the rates charged by the private insurance companies. Yet despite this reduction, the office was in a position to distribute in bonuses to employers up to the end of June, 1926, almost £40,000.

Sir William Lathlain: Do they pay income tax?

The CHIEF SECRETARY: No, it is a Government undertaking. The income tax that is paid by the private insurance companies comes out of the pockets of the public. In addition, the office was able to accumulate a substantial reserve. Whereas the expense ratio of the private companies is between 30 and 35 per cent. of the premium income, the expense ratio of the State office for the last year for which published results are available, namely 1926, was 12.9 per cent. of the premium income. It has been stated in criticism of the State Victorian office that its clientele is limited to Government and semi-Government departments. Nothing of the kind. But from official information received from the Commissioner, it appears that Government insurance represents one-third of the premium income; the balance of the business of the office represents general policies numbering approximately 8,000. Now we come to New Zealand. The New Zealand Dominion office has no monopoly of insurance business, and as regards accident insurance, conducts its business in competition with 35 other companies. In these circumstances it will be interesting to discover what the results have been. For the year ended December, 1926,

the fire insurance section of the office had a premium income of £197,471. It paid in claims £79,062, and returned to policy holders by way of rebates the sum of £24,496. This system of paying rebates to policy holders was established in 1923, and during the four years of its operation the policy holders of the Government office have benefited to the extent of £74,902. The total assets of the fire insurance section of the office, as at the 31st December, 1926, amounted to £661,519. As a consequence of the competition of the New Zealand Government office several reductions in the rates charged by the private companies have been made, and it is estimated that these reductions—which would probably never have been made but for the competition with the Government office—plus the economy arising from the rebate system instituted by the Dominion office, have saved the insuring public over £4,000,000 since the inception of the office. The published accounts for the year ended December, 1926, of the accident branch of the Government insurance office show that the premium income for the year amounted to £58,348, and that the claims totalled £33,854. The office completed the year with a profit of £14,332. The general manager, in commenting on the operations of the office for the year 1926, stated that although an amendment to the Workers' Compensation Act had been passed, substantially increasing the benefits to workers, no increases in the rates charged were made. It would be interesting to know the latest position in Queensland. The State insurance office there was established in 1916 by an amendment to the Workers' Compensation Act. The office obtained a monopoly of workers' compensation insurance, and despite an increase in the benefits no increase in the premium rates was made. The following is an extract from the official journal of the Government insurance office dated December, 1926:—

Workers' compensation benefits increased. The session of Parliament just concluded passed certain amendments to the Workers' Compensation Acts, 1916 to 1925, which cannot but be a great boon to workers injured in industry. The new Act increases the amount of compensation payable to a worker injured by accident in that he will receive 66⅔ per cent of his average weekly wages up to £2 15s. per week (instead of £2 as formerly) and further that a worker having dependants shall receive not less than £2 15s per week (instead of £2 as formerly) and in the case of a married worker with children up to but not exceeding £4 5s. per week (instead of £3 10s. as formerly). The amendments were received very favourably in the House, particularly as the increased benefits have been made available without any increase in the premiums.

When the office was established the sum of £20,000 was appropriated by the Queensland Government for the State office, but of this amount only £3,570 was expended, and this sum was repaid to the Treasury within 12 months of the operation of the office. Up to the year ended 30th June, 1926, the workers' compensation department of the State office made profits totalling £465,504. The claims paid have totalled £2,298,960, and the cost of administration has been £485,321. In the Queensland fire department of the State insurance office the premium income for the year 1926 amounted to £188,626, while the claims totalled £133,552. The department thus concluded the year with a surplus of £31,062. The miscellaneous accident department had a premium income of £17,024, and paid claims totalling £5,512. After the payment of bonuses to policy holders, and making provision for outstanding claims, the miscellaneous accident department showed a surplus at the end of the year of £8,208. At the end of June, 1926, the total amount of profits standing to the credit of the workers' compensation, fire and accident departments was £104,146. The officer in charge of the department, in his report for the year ended June, 1918, wrote as follows:—

On 1st May, 1918, the rates of premium charged in this department were again reduced, making the total net reductions since we commenced to underwrite fire insurance business—(a) On dwellings and their contents, 33⅓ per cent.; (b) On business risks, 20 per cent. I estimate that these reductions represent a saving of not less than £140,000 per annum to the insuring public of Queensland. I submit that this is in itself ample justification for the carrying on of fire insurance business in this office.

In most of the United States of America insurance against the liability to pay compensation to injured workers is compulsory, as it is in this State. The forms of insurance may be classified under three heads: (1) insurance with companies, (2) insurance with companies or with a State fund competing with such companies, (3) insurance with a State fund which has a monopoly of such insurance. An interesting comparison of the administration of the different forms of insurance is given in

Bulletin 301 of the United States Bureau of Labour Statistics. The quotation reads—

> The investigation which has been made up to 1919 shows that in that year companies collected 78 per cent. of the premium income of U.S.A., and the State funds 22 per cent., but the Bulletin says, "On the basis of the company rates the premium income of the State funds would be greater than the amount stated, because their premium rates are usually lower than those of the companies." Then, in further explanation of the smallness of the proportion underwritten by the State funds, the Bulletin says: "Among some State funds, though, it is the policy of those in charge not to solicit business but simply to take whatever comes to them. They would have the State fund function as a regulator of insurance rates." After discussing the difficulty of making an exact comparison between State funds and private companies on account of the different functions which different State funds have to perform, some carrying out other duties in addition to insurance, the Bulletin says that the records disclose that the State funds—(1) Do business 25 per cent. to 30 per cent. cheaper than companies (2) Are financially sound and have adequate reserves and surpluses. (3) Pay compensation as promptly as companies. (4) Are more liberal in settling claims, and appeal fewer cases to the courts.

Having regard to the extensive operations of Government insurance in other States and countries, it is rather surprising that Western Australia should have been without a State insurance office for so long. The reasons for the establishment of this office are well known. It was started without the assistance of any money appropriated by Parliament, and has been able to carry out its first year of operation without any help from the Government. If the Government had not established this office, all the mining companies in the State would have been left entirely without protection against the liabilities imposed by the Workers' Compensation Act, for, with total disregard for the convenience of the policy holders, the insurance companies gave the mining companies three days' notice of their intention to cancel the policies already in existence.

Hon. J. Nicholson: This House made an offer to allow the Government to carry on that class of insurance.

The CHIEF SECRETARY: It did not go to the extent that was considered desirable. I have admitted that the Legislative Council has endorsed the principle. The State office, which was opened only after a few days' notice, was able to afford the necessary protection to the mining companies, and, it is satisfactory to note, from several quarters appreciation has been expressed by its patrons in regard to the treatment received from that office. The Workers' Compensation Act, 1912-24, provides that every employer must obtain a policy of insurance protecting him against his liability to compensate the worker. If the State imposes such an obligation upon the employer it is surely the duty of the State to see that some reasonable means of obtaining such a policy are made available, either by supervising the rates charged by the private insurance companies, or by itself providing a satisfactory measure of insurance.

Hon. J. Nicholson: I take it the Government would be prepared to put private companies on the same basis as the State Insurance Office and relieve them of taxation?

The CHIEF SECRETARY: The people who are at present patronising the companies have to foot the bill. Every time an insurance policy is taken out, and a premium has to be paid, the bill falls upon the insurer. That is one of the penalties of insurance.

Hon. A. Lovekin: What becomes of the profits?

The CHIEF SECRETARY: I will be able to give the hon. member the information at a later stage. I do not like answering questions offhand and quoting figures which may not be correct. I do not wish to depend upon my memory, which may not be accurate. By agreement with the Minister for Works and Labour the private insurance companies increased their rates, on the passing of the 1924 amendment to the Workers' Compensation Act, by 25 per cent. The companies at that time undertook to make no further increase in the rates without the consent of the Minister, and also only after inquiry had been made by the Government Actuary and the Auditor General. Without obtaining the Minister's consent, the companies have increased their rates by substantial percentages as from the 1st August last, and in some cases the new rates represent, I am informed, an increase of something like 100 per cent. over the old ones. The reason given by the companies for this increase was that they had been called upon to meet heavy claims on account of the benefits provided by the amendment contained in the 1924 measure. The published statistics relating to the operations of the

insurance companies in this State show that the administrative expenses of the companies account for between 35 and 40 per cent. of the premium income.

Hon. Sir William Lathlain: They have to pay rent.

The CHIEF SECRETARY: If the experience of State insurance in other parts of the Commonwealth can be accepted as a guide to the result of Government insurance in this State, it may be relied upon that a Government office can operate on an expense ratio of between 15 and 20 per cent., and that, consequently, it can afford to meet heavier claims for expenditure. It is upon the ground that State insurance makes for smaller premiums, that claims for the establishment of a State office are based. The main object of a State office is not to make profits, but to provide the benefits that Parliament thinks are reasonable, at the lowest possible premium to the insurer.

Hon. C. F. Baxter: We were told that about the State sawmills.

The CHIEF SECRETARY: It can be asserted with confidence that the State office can undertake the workers' compensation insurance at present undertaken by the companies without a general addition to the rates in existence prior to the 1st August, provided, of course, it secures a reasonable proportion of good business, and not merely the risky business declined by the private companies. This assertion is verified by the experience of the State office since its establishment on the 15th June, 1926. In the early stages, most of the policies issued by the office were issued to mining companies, and it is generally recognised that this class of risk is among the more hazardous occupations in so far as workers' compensation is concerned.

Hon. J. Ewing: The private companies will not insure you at all.

The CHIEF SECRETARY: The insurances were accepted by the State office at the same rates as were being paid to the private insurance companies, and it has been able to meet all the legitimate claims made upon it, to provide adequate reserves to meet outstanding claims, and to complete the year showing a profit. Another example of the advantages to be derived by State insurance is supplied by the Industries Assistance Board, which for the year 1926-27 conducted a fund for the insurance of settlers' crops against loss by fire or hail. Until last season, this insurance had been placed with the private insurance companies. It was the intention of the insurance companies to increase the rates for this class of insurance, but when it was known that the Board itself was operating on the old rates, the insurance companies came into line and accepted their risks without any addition to the rates. The result of the Board's operations in this direction have been entirely satisfactory and a fairly substantial surplus has been made available. Strenuous opposition is offered by the insurance companies, and some members of Parliament, to "State insurance," and yet the same opposition is not offered to "national insurance." National insurance against sickness and unemployment has become a well recognised part of civil life in Great Britain and most European countries, and nowadays the majority of the people would never dream of terminating national insurance. Yet a State insurance office, protecting the public against such contingencies as fire, accident, and other losses, is merely performing a corresponding function to that under national insurance which protects the public against the risk of sickness, unemployment, etc.!

Hon. H. J. Yelland: There is a wide difference.

The CHIEF SECRETARY: It is well known that the Commonwealth Government contemplate the introduction of national insurance against sickness and unemployment, and there will be a considerable measure of Government control. Every State in Australia has recognised the principle of State insurance and now the Commonwealth Government are in theory proposing to recognise the same principle. The State insurance office is still compelled to carry on its operations for the protection of the gold mining companies. As is well known, the insurance companies cancelled the general accident policies of the mining companies at three days' notice. The insurance companies have recently increased the rates of premium for the general accident risks of gold mining companies to about £4 5s. 11d. per cent. as compared with the present State office premium of £2 17s. per cent.

Hon. J. Ewing: Is that correct? I thought it was higher than that.

The CHIEF SECRETARY: The gold mining companies would, therefore, be sub-

ject to an increasingly difficult position if the insurance companies were able to impose on them their heavier premiums. The State office has not increased its premiums in respect of mining risks. All sorts of allegations have been made as to the amount of capital which would have to be supplied by the Government if a State insurance office were set up. So far, these prognostications have not been realised. An interesting commentary may be made on the attitude of the insurance companies last year in New South Wales when the amended workers' compensation benefits came into force. The insurance underwriters chose to assume that most exaggerated benefits would be paid and they put up the existing scale of premiums in a truly colossal style, as the following list will show:—

Occupation.	Old Rate.	New Rate.
	per cent. s. d.	per cent. s. d.
Builders' employees	30 0	115 0
Clothing Factory employees ...	3 6	48 9
Clerical workers	2 6	46 3
Printers	13 6	73 9

It is inconceivable.

Hon. J. Ewing: They want to get rich quickly.

Hon. A. Lovekin: Look at the extra liability.

The CHIEF SECRETARY: The Government of New South Wales inaugurated a State insurance office. Presumably it was compelled to do so by the unreasonably high premiums to be charged by the companies. The State insurance office immediately reduced the sickness rate by 50 per cent. and then subsequently made a general reduction in all rates of 33⅓ per cent. Further, the Government Insurance Office announced a bonus discount of 20 per cent. on insurances for the first year. This was approximately equal to a reduction of 62 per cent. on the rates originally announced by the private insurance companies. The people who have benefited are the employers, not the workers. The companies in Western Australia have from the 1st August made a wholesale increase in their rates of premium for workers' compensation insurances. Fortunately, the State Insurance Office is in existence to act as a check and so a substantial proportion of new business has recently been transferred to the State office, due no doubt to the heavy increases in rates. As Dr. Saw pointed out last year, State insurance is a natural corollary to compulsory insurance. I will now give hon. members some specimens of the increases made by the underwriters:—

Occupation.	Old Rate.	New Rate.	Percentage increase.
	£ s. d.	£ s. d.	
Aerated Water Cordial Factories	3 15 0	6 5 0	67
Agents—Commission ...	0 9 4½	0 19 0	103
,, Land and Estate	0 12 6	0 19 0	52
,, Customs, with Carrying ...	1 17 6	2 16 6	50
Architects	2 10 0	3 15 0	50
Asbestos Factories ...	1 17 6	3 2 6	67
Banks	0 3 9	0 6 0	60
Bark Mills	2 10 0	4 3 6	67
Bark and Sandalwood getters	1 17 6	3 2 6	67
Motor Garages and Bicycle Shops—			
Including racing risk	3 15 0	5 12 6	50
Excluding racing risk	1 17 6	2 16 6	51
Sale shop only ...	0 9 4½	0 15 0	60
Biscuit Factories ...	1 17 6	3 2 6	67
Blacksmiths' and Wheelwrights	1 11 3	2 7 6	52
Boat, Ship, and Yacht builders	2 3 9	3 13 6	68
Boot and Shoe Dealers—			
Wholesale	0 12 6	0 19 0	52
Breweries	1 11 3	2 7 6	52
Builders—Demolishing and removing	4 7 6	7 6 0	67
Butter Factories ...	1 5 0	2 1 6	66
Carters and Carriers ...	2 10 0	4 3 6	67
Coal and Firewood Merchants—			
With circular saws ...	2 6 10½	3 0 0	28
Without circular saws	1 14 4½		75

Hon. G. W. Miles: Does not the Workers' Compensation Act more than double the liability?

The CHIEF SECRETARY: The State Insurance Office has been able to carry on without doubling the rates of insurance. Here are some more examples—

Occupation.	Old Rate.	New Rate.	Percentage increase.
	£ s. d.	£ s. d.	
Dairymen	1 8 1½	2 7 6	70
Farmers, Station Owners, etc.	1 8 1½	2 7 6	70
Ferry and Boat Proprietors	1 17 6	3 2 6	67
Flour Millers	1 17 6	2 16 6	50
Gas Works	1 5 0	2 1 6	56
Ironmongers	0 15 7½	1 6 8	70

Hon. A. Lovekin: That does not cut any ice, since you are going to pay claims out of revenue.

The CHIEF SECRETARY: No claims have been paid out of revenue.

Hon. E. H. Harris: But perhaps they will be later on.

The CHIEF SECRETARY: For many years the local companies enjoyed a monopoly of fire insurance and other forms of business, and they accordingly exacted unreasonably high premiums until Lloyd's, Underwriters, came into competition. This induced the insurance companies to make very large reductions in the rates of premiums charged to the Government, but the companies declined to make any reduction in the premiums payable by the public, though it is well known that in many classes of fire risk, for instance, this could be done. A State insurance office would undoubtedly result in reduced premiums, as it has done in some of the other States of the Commonwealth and in New Zealand. The insurance companies make a strong point of the fact that they pay large sums in direct taxation. Some members seem to be under the impression that the money comes out of the banking account of the insurance company. As a matter of fact it comes out of the pockets of the shareholders. The whole thing is a subterfuge, and very little thought is needed to recognise the fact that the insurance companies in the first place, long before they pay it away in taxation, have collected the amount from their clients. Last year statements were made as to the so-called staggering losses sustained by the Queensland State Insurance Office in respect of miners' phthisis. It may be pointed out that the premiums originally charged were of an experimental nature, and that if the existing premiums had been enforced from the inception there would apparently have been no excess of claims over the premiums received. It has been mentioned that many of the rates of premiums in Queensland are higher than those in Western Australia. As a matter of fact the Western Australian rates last year in 406 cases were higher than those in Queensland, and in only 95 cases were the Queensland rates greater than those in Western Australia. The disparity is now much more accentuated having regard to the recent increase of rates in this State. The present position is as follows: Western Australian rates are greater than those of Queensland in 417 cases, while the Queensland rates are greater than those of Western Australia in 73 cases. There is little difference in the benefit, so the great excess of premiums in this State apparently is not justified. A Bill containing similar principles was debated at length in the Legislative Council last year, and State insurance received the endorsement of a majority of the House. Members, however, seemed to be afraid that if the Government went in for workers' compensation insurance generally there would be danger of a loss. They conscientiously believed that that might happen.

Hon. J. Nicholson: Members voted against it as being a State trading concern.

The CHIEF SECRETARY: It is not a State trading concern. State insurance has been in operation in New Zealand for very many years, and it is in operation even in Victoria, where certainly they do not go in for State trading concerns. However, as I say, members here were afraid that if the Government went in for workers' compensation insurance generally there would be danger of a loss, and for the purpose of ascertaining whether their fears were justified they limited the operation of the Bill to 12 months. The department has already had 12 months' experience, and the position is this: they started with nothing, and it has not been necesary to draw one penny from the Treasury for the purpose of financing the department. They have been able to carry on without loss, although the private insurance companies have gone to the bad so seriously that they have had to increase their rates substantially in order to pay their way and return some profit to the shareholders. I commend the Bill to the careful consideration of the House, and I trust that all the powers asked for in the measure will be granted to the Government. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. Baxter, debate adjourned.

BILL—EMPLOYMENT BROKERS ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. J. W. Hickey—Central) [5.53] in moving the second reading said: Having in mind the Bill introduced a couple of sessions ago I do not feel it is necessary to deal at any great length with the small measure now before us. It will be remembered that the Employment Brokers Act of 1909 provides for the granting of licenses to employment brokers by the licensing courts or magistrates constituted under the Licensing Act. But

there is now only one licensing court for the whole of the State and in consequence inconvenience is being suffered, inasmuch as from time to time those applying for employment brokers' licenses have to go before this court. Moreover, the procedure is to some extent cumbersome. The Bill provides amendments calculated to relieve the situation. During the debate on the Labour Exchanges Bill of 1925, many members expressed the opinion that the parent Act required a lot of tightening up. While certain of them were opposed to the Bill as printed, they all agreed that reforms were very necessary. The object of the Bill before us is to a great extent to put into effect the suggestions made during the course of the debate of 1925. One of those becomes a vital principle in the Bill. It is that the brokers' fees shall be charged to the employer alone. Under the existing Act fees are charged to the servant also. In respect of applications for licenses, the Bill gives the court wider powers than those now obtaining. One is that the magistrates may refuse to register the business premises or offices of any licensed broker if they consider such premises unsuitable. Again, the court may refuse an application if in their judgment the applicant is not of good character nor a fit and proper person to carry on the business. Another objection provided to the granting of a license is that the reasonable requirements of the district do not warrant a new license. Under the present law a municipality may object to the granting of a license; the Bill extends the same power to road boards. Clauses 11 and 12 provide that any fee to be paid to a broker shall be paid, not by the servant, but by the employer only. We have ample evidence that under the existing Act, whilst sometimes a fee is charged the employer, almost invariably the servant is charged the fee. Under these clauses this will not be permitted in future. There are in operation at present 19 licenses granted under the Employment Brokers Act of 1909. Of those 16 are in the Perth district, two at Fremantle and one at Bunbury. During the year three applications for licenses were withdrawn, while two licenses previously existing at Kalgoorlie and one at Geraldton were not renewed this year. So it will be seen that the operations of the Act extend to various parts of the State. Therefore it is necessary to have some conrol. The existing Act makes no provision whereby the fees charged by employment brokers may be limited, and each broker is permitted to charge any fee he likes, but is required to charge the employer a fee equal to that charged to the worker in respect of an engagement. The broker has to lodge at the office of the Minister a copy of his scale of fees, and also to post a similar scale in a conspicuous position in his office. Investigation by the inspectors, however, shows that uniform fees are not charged by the various brokers, many of whom charge the employees half a week's wages, or even one week's wages, for providing an engagement. Though the employment brokers have undertaken to observe uniform charges, the undertaking has not been kept. With them it is a question of how much they can get regardless of any arrangement or agreement with the other brokers. It is necessary that a special scale of charges should be laid down and adhered to so that all registry offices would have to observe them. Then the employer would know exactly what he could be charged.

Hon. Sir Edward Wittenoom: Do you think it is an improvement to make the employer pay the lot?

The HONORARY MINISTER: I think so, and employers generally consider it an improvement. The worker should not be charged for the right to work; it should be the responsibility of the employer to pay. Many employers are agreeable to pay, because it is convenient for them to be able to get men when they require them. Often when a man applies for a job, he is not in a position to pay the fees, and if he does pay them he has probably had to make a sacrifice in some other direction.

Hon. Sir Edward Wittenoom: If the employer paid all the fees, the employee would not mind how often he left a job.

Hon. J. J. Holmes: The employee would get his railway fare, pay nothing, and then probably would not take the job.

The HONORARY MINISTER: I have had some experience of the Labour Bureau. If a man side-stepped his obligations in that way, he would become known. If a man gained a reputation at the Labour Bureau for not fulfilling his engagements, he would not be likely to go to the bureau again in search of work. The labour exchanges would safeguard employers to the extent that they would not send out men who had

been allotted jobs and had not carried them out.

Hon. E. H. Harris: Does not the State Labour Bureau register the unemployed?

The HONORARY MINISTER: When applications are called for men to do certain work, men are sent out if they are available. Often suitable men are not available and the employers have to wait until suitable men can be obtained. Sometimes men are unsuitable for certain work; sometimes employers are unsuitable.

Hon. J. M. Macfarlane: Would not private brokers experience the same difficulty?

The HONORARY MINISTER: The engagement books kept by brokers show that fees are often charged to both employer and employee, but it has been frankly confessed many times that the fees have not been collected from the employer. I have correspondence to prove that, and instances were quoted when the subject was previously before the House. Instances have occurred since then, and there are other infringements of the Act that render the amendments contained in this Bill necessary. Inspectors have reported that persons have been engaged by private registry offices for work in the country that proved different from what it was represented to be. Advertisements also are sometimes misleading. The advertisements of one broker, which were selected over a period of one week not long ago, were examined and it was found that if each position advertised had been filled by the broker and the fees to which he would have been legally entitled had been collected, his income for the week would have amounted to £154 14s.

Hon. J. J. Holmes: How do you work that out?

The HONORARY MINISTER: A subsequent examination of the engagement book disclosed that the fees paid or payable for engagements actually made that week amounted to £79 2s. 6d. It is certain that £39 11s. 3d. was collected from the workers engaged, but it is doubtful whether similar success was met with in collecting fees from employers. Yet we have been told that the people conducting registry offices find it difficult to make a living, or are living a hand-to-mouth existence. It is doubtful whether the total cost of conducting that office would have exceeded £10 per week, as only the broker and one assistant were employed in the business. It has been stated from time to time that some brokers do not adhere strictly to the scale of charges posted in their offices, and that greater fees have been charged for securing engagements than were set out in the scale. Only one instance of this has come directly under notice and, owing to the fact that it was impossible to locate the worker concerned, no action could be taken by the department. With the exception of Clause 18, which provides for the fixing by regulation of the maximum fees that an employment broker may charge in respect of the engagement of an employee, the remaining clauses of the Bill are designed to tighten up the provisions of the existing Act to ensure that only reputable persons shall be permitted to carry on the business. We aim at preventing the exploitation of persons seeking employment or of employers seeking servants. Many instances taken from departmental files disclose questionable methods that have from time to time been adopted by employment brokers. Workers have been victimised in various ways, including the loss of fees, fares and time, through being sent to jobs for which they were not suited, or the conditions of which had been misrepresented, sometimes by the employer and sometimes by the broker. In many instances it has been impossible to secure redress for the unfortunate worker, who, owing frequently to lack of funds, has been unable to institute civil proceedings in his own behalf. If the employer were made responsible for paying the fee, a better state of affairs would prevail, while people engaging in the labour exchange business would take a stricter view of their responsibilities and see that their business was conducted in a proper manner.

Hon. J. Cornell: The abolition of employees' fees will not overcome that.

The HONORARY MINISTER: Probably not, but the abolition of those fees will be helpful to the employees. It has been stated that many employers do not patronise the State Labour Bureau because they can secure a better class of labour at the private registry offices. It must be borne in mind that while a private office may find work for half a dozen men a week, the State Labour Bureau finds employment for probably 200 or 300 men, and amongst that number it is only natural to expect there would be one or two who would not pull their weight. The Bill, embodying as it does suggestions made from time to time,

will afford relief to the worker and bring about a better condition of affairs generally. I do not say it will have the effect of eliminating all the difficulties that have been experienced, but it will go a long way towards removing the dissatisfaction entertained regarding employment brokers. I regret that the Bill previously brought down was not passed. Had it been accepted, the State Labour Bureau could have extended its operations to cope with the work. This Bill, however, should meet with favour from members of this House because it will give effect to proposals of which members have indicated their approval. I move—

That the Bill be now read a second time.

On motion by Hon. V. Hamersley, debate adjourned.

Sitting suspended from 6.15 to 7.30 p.m.

BILL—RAILWAYS DISCONTINUANCE.

Second Reading.

Debate resumed from the 10th November.

HON. E. H. HARRIS (North-East) [7.30]: I cannot congratulate the Government on their selection of railways to be lifted, because when one lifts a railway from a district it amounts to an admission that the position is hopeless and that the whole district must be abandoned. Kanowna, as one district from which it is proposed to lift a railway, was originally known as White Feather. After all these years of production of gold there, the Government are showing the white feather regarding the local productivity of gold by proposing to remove the railway. There was a suggestion to take up the lines in that district and others some years ago; but a storm of protest arose throughout the goldfields, and the intention to tear up railways in auriferous areas was abandoned. The local governing bodies on the Eastern Goldfields still hold the view that there are at Kanowna gold mining possibilities which warrant the retention of one of the lines proposed to be taken up; and I refer particularly to the Kanowna line. The history of Western Australian gold mining is one of enterprise and courage, and Kanowna played no small part in it. The Kanowna district alone, up to the 31st December, 1926, treated nearly 1,000,000 long tons of ore for a production of 719,359 ounces of gold, of which no less than 104,000 ounces were alluvial, won chiefly off the lead.

Hon. J. J. Holmes: Does that figure include the "Welcome Nugget"?

Hon. E. H. HARRIS: Yes. The railway, we have been told, was built in 1896, and at some later date the Government acquired the railway then serving the Celebration district. Kanowna in 1898 had a population of 12,000 people, and those were the days when nuggets of gold weighing anything from 1 oz. to 100 ozs. were found. In one mine, the Klondyke, 10,000 ozs. of gold were got from an area 150ft. by 150ft. That fact shows the patchy nature of the distribution. An immense area of pug in Kanowna remains untreated, and it is hoped that sooner or later the laboratory chemists will discover a method by which that gold can be retained. It is extremely fine, and as yet no one has been able to devise a method by which it can be economically treated. The point is that Kanowna does not stand in the same position as the Celebration district, where every mine has been closed down. There are no deep mines in Kanowna, but a few shows are still working there. During the 12 months ended on 31st December, 1926, 7,642 long tons of ore were treated there for 5,976 ozs. When it was suggested on a former occasion to lift railways in auriferous areas, it was also proposed to lift the Bullfinch line. That railway was retained as the result of protests, and now it is suggested that the railway in question should be extended, as it is developing a highly prosperous agricultural district. Further north, in the Murchison, there is the railway from Magnet to Sandstone, which has a train once a fortnight. The taking up of that line has not been suggested, though it, with other lines, can hardly be very profitable. Indeed, if we were to take up all the unprofitable railways in the State, we would take up quite a number. The fact of allowing that particular railway, some 90 miles long, to remain may indicate an intention on the part of the Government to build a railway to Wiluna from Sandstone. The Railway Advisory Board are at present reporting on the district. As the line from Magnet to Sandstone is not included in this Bill, there seems some ground for assuming a special cause for its exclusion. There is also a railway from what was formerly the mining district of Laverton to Malcolm and Leonora.

In that district practically no mining operations are now proceeding. I presume, however, that there is no intention to lift the line, as the area has developed into a huge pastoral proposition. Considerable wealth is being won there from the production of wool and so forth. As regards the Kanowna railway, the Government complain of lack of traffic. But there are no facilities available for traffic other than sandalwood. The shed formerly used for the storage of goods for transport has been removed. Of the 12,000 bales or so of wool which came from the Northern Goldfields line through Kalgoorlie, not less than 1,000 would have been brought into Kanowna and transported thence but for the fact that no provision for storage exists at Kanowna. Formerly Kanowna had a ramp for the loading of stock, but that has been removed. As a consequence the only traffic latterly forthcoming has been sandalwood. There is a big deposit of alunite at Kanowna, which it is hoped may sooner or later, as the industry develops in Western Australia, be exploited. There is also a large deposit of kaolin, which is used for tile-making. During the election campaign in March last, the Government of the day were questioned as to what was to be done to help the goldmining industry with the £168,000 set aside for that express purpose. Up to the present moment I do not know of any portion of that money having been expended except for the purpose of paying the insurance premiums of mining companies in respect of their workers, and this by way of assisting them out of a difficulty which occurred regarding charges for firewood. It is claimed that in some cases the companies could not afford to pay those charges, and the Government came to the rescue, saying, "We cannot pay the difference on the firewood, but we will pay your insurance premiums in respect of your men into the State Insurance Office." An analogy might be drawn with regard to the farming industry thus: if the farmer discovered that he was unable to pay the cost of transport of his wheat to the siding and approached the Government pointing out that if they did not come to his rescue he would have to cease operations, the Government might say, "We cannot afford to pay the difference in the cost of transport of your wheat, but we will give the farmers £50,000 worth of insurance on farm workers provided they will accept cover from the State Insurance Office." Many districts have been told that they are entitled to, and will get, a share of the money set aside for assistance to mining. I suggest that if the Government want to help the Kanowna people, who are rather keen on holding their railway for another 12 months to see what developments may occur, there might be paid out of the sum in question an amount to cover the consequent loss to the Railway Department. I make that suggestion as offering a way out of the difficulty. I am not well acquainted with the short line at Bunbury which is also included in the Bill. The last time I was at that port, a quantity of what seemed mining timber was being loaded on that line. From the tenor of the debate here I gathered that the line was used solely for show ground and racecourse traffic.

Hon. J. Cornell: It is a sporting railway.

Hon. E. H. HARRIS: The Bunbury people seem to have a sporting chance of retaining it. Possibly that is what Mr. Cornell desires to suggest. The Chief Secretary pointed out that the Government some year or two ago paid £11,000 for the Celebration railway. The object of the purchase was to assist the locality in which the last mine to close down was one known as the White Hope—a hope that did not come up to expectations.

Hon. J. Ewing: Was that the old timber line?

Hon. E. H. HARRIS: Yes. The tonnage hauled over it did not by any means warrant its retention. As regards rails, there are about three miles of good 60-lb. rails between Kamballie and Lakeside; but thence onward the sleepers are no good and if the Government got £1,000 per mile for the other rails, that would be about all they could expect. I claim that there are possibilities in the Kanowna district, and in view of the strong protest lodged by the local authorities, it is not my intention to vote for the second reading. Should the Bill reach the Committee stage, I shall submit amendments that I hope will receive the support of hon. members.

HON. H. A. STEPHENSON (Metropolitan-Suburban) [7.47]: The Bill deals with three short lines in different localities. Each should be considered on its merits or demerits. I listened attentively to the remarks of Mr. Mann and Mr. Rose. Both made out a very good case for the retention of the Bunbury racecourse-showground line. It is less than 1½ miles in length, and to my mind it is a very necessary line. Only a

few years ago, I understand, the Government constructed a siding into the show ground at a cost of about £450. Everyone knows that the Bunbury show is an important annual fixture and is becoming increasingly so each year. The Government have spent a lot of money on group settlements in the South-West and dairy stock of all description are now being bred in that part of the State. The show is a great educational institution, and it should be encouraged as much as possible. Therefore, it would be a great mistake to remove the line. Although the Government may lose a few pounds a year over that line, indirectly they must gain by its existence, not only on account of the show, but because of the race meetings that are held on the same ground once a month, and sometimes oftener. There are many stock owners at Pinjarra and at other districts along the South-West line that would not exhibit unless they could get the stock direct to the ground in trucks. The Royal Agricultural Society finds it a great drawback not having a siding right into their ground, and I know of dozens of stock breeders who refuse to exhibit at the annual show just for that reason. They consider it too risky to drive valuable stock from Claremont station through the traffic to the show grounds. That also leads to considerable delay. If the Government will only give the matter of the Bunbury line a little more consideration, they will see that it will be of advantage to the State and to the Government to permit it to remain. It takes a very small sum to run the train to the ground and I understand that anyone who will put up a guarantee of £7 10s. for the day can secure the running of the train there and back. The indirect benefit to be derived by permitting the line to remain, I consider, is tenfold. Whenever race meetings are held quite a number of horses are trucked from Perth and Fremantle, and also from stations along the line. If it were not for the siding on the ground, very few of the horses would be sent there. Every horse that is sent to compete at the Bunbury course means quite a number of passengers. I understand the line has been down for many years and it would not pay the Government to pull it up. The rails are practically worn out and consequently not worth much, while the sleepers would not pay for the cost of tearing them out of the ground. Regarding the Kanowna line, which was built nearly 30 years ago, it does not owe the Government or the country a penny; it has paid for itself over and over again. It would not do to put men on to pull it up for the sake of the second-hand rails and for the sake of the old sleepers which could only be used as firewood. The pulling up of the rails and their removal elsewhere would involve the outlay of a considerable sum of money. I consider the Government should stay their hand for a year. Prospecting is still going on, and we do not know one minute from another when a good find may be made, a find that may provide traffic for the line for some time to come. The same remarks apply to the Lakeside-White Hope section. I do not know much about that, but I am guided by the remarks of the goldfields members. I understand that there is still plenty of gold to be obtained there and that science may be able to discover means by which it can be treated profitably, in which event the line would be very useful.

HON. J. EWING (South-West) [7.50]: I move—

That the debate be adjourned for a week.

Motion put and negatived.

HON. E. H. GRAY (West) [7.51]: I move—

That the debate be adjourned to the next sitting of the House.

Motion put and negatived.

HON. J. EWING (South-West) [7.52]: I moved the adjournment of the debate for a week because of my inability to be present to-morrow or the next day.

The PRESIDENT: I take it the hon. member is making a personal explanation.

Hon. J. EWING: No, I am speaking now on the second reading. I represent the district affected by one of the lines it is proposed to remove, and I sought the week's adjournment after having consulted the Leader of the House. The House, however, was against me, and as I shall not be present to-morrow or the next day, I can express my views now. I agree with the remarks of those who have spoken against the removal of the Bunbury racecourse line. It would be bad policy to take it up and to utilise the rails elsewhere. As has been pointed out by Mr. Stephenson, and at a previous sitting by Mr. Rose and Mr. Mann, it will be against the best interests of the

development of the State to tear up the line. The show held at Bunbury is very important. Stock used for breeding purposes is on exhibition and it is a fact that it cannot be taken to the ground by road on show day without running considerable risk. On that ground alone it would be inadvisable to interfere with the existing state of affairs. Mr. Rose received a telegram this afternoon from most of the leading bodies in Bunbury asking him to protest against the action proposed to be taken, and urging him to do his utmost to prevent the Bill from going through. The tearing up of the line would affect people in the surrounding districts who have been in the habit of sending their stock to the show ground by rail. In my opinion the action proposed to be taken would be retrograde. It would certainly be bad policy in that it would interfere with progress that has been made possible by the utilisation of the show ground by stock owners. Regarding the goldfields lines, I support what has been said by the goldfields members, that the lines should be permitted to remain. There are still possibilities of development on the goldfields areas, while the pastoral prospects up there are so bright that there may yet be work for these lines to do. Regarding the goldfields themselves, the position is certainly better that it was a short time ago, and we should not dream of pulling up lines that we may want to build up again in the not distant future. I support the action of those goldfields members who are advocating the retention of the Kanowna line and the Kamballie-White Hope line. The Bill should never have been introduced because its passing would be a step towards retrogression. We certainly do not want to go backwards. We should go forward in the direction of reviving the industry to the utmost possible extent. It would be wrong for us as public men to say we were afraid of the future of the goldfields. We know that the developments of the past six months point to the position there being better than it has been for a long time. That being so, we should not vote for anything that will weaken the position with respect to the Government, or show any lack of faith on the part of this House in the future development of the goldfields. I hope after what I and others have said members who intend to vote on this measure will oppose it if only to save the Government from themselves.

Hon. A. Lovekin: Why not divide now?

Hon. J. EWING: I should be quite satisfied to do so. If we defeat the Bill we shall only be helping the Government.

On motion by the Chief Secretary, debate adjourned.

BILL—CONSTITUTION ACT AMENDMENT.

Second Reading.

Debate resumed from the 9th November.

HON. SIR EDWARD WITTENOOM (North) [8.2]: The Chief Secretary was confronted with a serious task the other evening when moving the second reading of this Bill. His arguments travelled over an extraordinary number of precedents and personalities extending as far back as 30 or 40 years. He mentioned Sir Frederick Broome, Mr. Hensman, Lord Knutsford, Sir Henry Parker and others in an attempt to bolster up this Bill which is designed to amend our Constitution. I have no hesitation in saying that in Western Australia we have one of the best political constitutions in the world. The Constitution of the Legislative Council is also exceedingly good. If it were not so we should not have the satisfactory House we have to-day. I do not say this in any flattering way, but I think members of this Chamber represent every form of political thought, not political thought of the lowest kind, but the political thought of experienced men who are well able to review the legislation passed on by the other Chamber. The Chief Secretary laid great stress on the necessity for a single Chamber. I am in favour of the unicameral system, and would vote for it to-morrow. He and I are, therefore, in accord on that point. The Bill looks a very simple one, and consists of two amendments. The first alteration is from the £17 qualification to the householder qualification, and the other is the limitation of voters to one selected province. I have given this subject considerable attention, and have come to the conclusion that the Bill is nothing more than a deliberate and well considered move on the part of the Government to destroy the Legislative Council.

Hon. Sir William Lathlain: They say so.

Hon. Sir EDWARD WITTENOOM: I do not say that offensively, for I have a high opinion of members of the Government.

Hon A. Lovekin: It is their declared policy to get rid of us.

Hon Sir EDWARD WITTENOOM: I say this more in sorrow than in anger. It is a deliberate attempt to destroy the Council, and I can prove that it is part of their policy. The attempt has often been made before, but I am pleased to say it has always proved unsuccessful.

Hon. E. H. Harris: This is the fifth occasion.

Hon. Sir EDWARD WITTENOOM: No doubt the Government have always hoped that their Bill would be carried. The attempt is being made on this occasion by an amendment to the franchise. The new qualification is of such a nature that I am sure the number of voters for this House would be largely increased in the direction that the Government want it increased, in view of their desire to effect the destruction of this House. The Chief Secretary said there was a keen demand for the abolition of this Chamber. I know nothing of that keen demand. If it exists, the public can effect their desires by returning to the Legislative Council members who are pledged to vote for its abolition. Already there are five members of this House who are recognised Labour members, and are pronouncedly so, for I have never yet seen them vote apart since they have been in the House. If people are so keen on getting rid of the Council, all they have to do next April is to return ten men who are pledged to its abolition. If they are unsuccessful on that occasion, they can repeat the performance two years later. Already there are five members of that mind, and there are generally two or three stray members willing to do something they ought not to do. It is only necessary to have 16 members so disposed to bring about the object desired by the Government. If, therefore, the people are anxious for this change, they can bring it about in a proper constitutional manner. This House is so well constituted that in four years a complete change in the personnel of the Chamber can be effected The Chief Secretary spoke of a number of disgruntled disfranchised electors. How can any person be disfranchised for this House if he has never been enrolled? If the Chief Secretary had said such persons had made no attempt to qualify for enrolment, he would have been correct. When I have heard it said that there are disfranchised electors in Western Australia, my answer has been that a man cannot be disfranchised if he has never been put on the roll. He would not be enrolled because he is not qualified, and the Chief Secretary should have confined himself to that point. Some months ago I read a paper written by a man who had a good deal of experience of the Legislative Council. That paper so well represents my own views on the subject, and seems to put the constitutional point so clearly, that I will read it to the House. The writer said—

> In my opinion the Constitution of the Legislative Council of Western Australia is in all respects satisfactory, and this is borne out by the results which have been achieved. To make my conclusion quite clear I must refer to the fact that the Assembly is elected on an adult suffrage basis. Every person, man or woman, attaining the age of 21 is entitled to vote for a member of the Assembly. No qualification is necessary, either property or educational. It will, therefore, readily be realised that numbers who vote are influenced either by their material benefit, religion or personal inclination for a particular candidate. The political question or the best interest of the State as a whole is to a large extent overlooked or neglected; indeed so little interest is taken by a large number of constituents that they do not even take the trouble to record their votes—75 per cent. at an election being rarely recorded.

Many of those who do take the trouble are probably men who pay no taxation.

> A very large number of these voters practically pay no taxes to the State. The exemptions under the income tax are as follows: Single person (includes married woman) £100 exempt on £145 of taxable income, exemption of £100 less (2 x 45) equal 90, equals £10; therefore, net assessable income, £135, tax, £1 5s. 3d.

There are hundreds, if not thousands, who have a vote, women and others, who have not £100 a year. Therefore, they have representation without taxation. I am pointing this out to show what a splendid Constitution we have. Anyone can have a vote for one House whether he is qualified or not.

Hon. A. Lovekin: They want to control the taxation of the other folk.

Hon. Sir EDWARD WITTENOOM: The writer goes on—

> At £150 the exemption would be nil. Married person (male) or a person with dependants, £200 exempt, on £295 of taxable income, exemption of £200 less (2 x 95) equals 190, equals £10. Therefore, assessable income, £285 and tax thereon £3 18s. 3d., super tax of 7½ per cent., 5s. 11d., total £4 4s. 2d.

This practically includes everyone who earns nearly £8 a week, and who has a wife and

three children under 16 years of age. The writer goes on—

Besides paying no income taxation, they probably pay no rates of any kind and have free education, hospitals, as well as lunatic asylums and gaols. It will, of course, be stated that they pay customs duty on their purchases. That is true, but it all goes to the Federal Government, who in return only give us 25s. per annum on our population which is all the people practically contribute.

Hon. C. F. Baxter: And we do not get that now.

Hon. Sir EDWARD WITTENOOM: At the time this was written the payments were still being made. It proceeds—

In addition to paying no taxes, these voters can return members to the Assembly, which is the only House that can impose taxation, pledged to tax the whole community, and whilst these voters could leave the State, if, say, a good gold find were made in Queensland, those with interests in the State would be liable to these charges. Again, it has become customary now at elections for candidates to make promises and pledge themselves to expenditure of revenue and loan money in local undertakings, and in many ways to improve the position of the voters at the expense of the taxpayers. We had illustrations of this before us at the last elections, and it is when legislation is submitted to carry out these pledges——

These pledges are often made in the rashest possible way—

—that the functions of the Legislative Council come in to protect the taxpayer. As no doubt most of my audience are aware, the qualifications of an elector are £17 rent, £50 freehold or £10 leasehold. I take it the £17 one is mostly availed of—it used to be £20. Thus anyone paying or receiving 6s. 6d. a week rent is entitled to a vote. Surely this cannot be called an exclusive qualification!—

In agreeing to the reduction of the qualification from £25, as it was at one time, to £17, the public can se to what extent members of this House were prepared to go to liberalise the institution—

—It is practically a "home" qualification so that anyone who has a home can have a say in its protection. Now when we consider that every person 21 years of age and over has a vote, and whether they are liable for taxation or not can vote for it being imposed, and candidates try to become elected by promises of lavish expenditure, it must be conceded reasonable that a House composed of people with some stake in the country should be able to revise this legislation in the interests of all parties. All the great countries of the world have two Chambers—Great Britain, France, Germany, America, and our own Commonwealth. With the last-mentioned, the constitution of the Senate is by no means satisfactory, as instead of having various interests represented it makes of the State one constituency so that whatever party has even the smallest majority can be represented to the entire exclusion of the minority.

Hon. J. Cornell: The American Senate is elected on the adult suffrage.

Hon. A. Lovekin: And that is deemed to be the failure of the Constitution.

Hon. Sir EDWARD WITTENOOM: I consider it a terrible blot. To proceed—

The election of the Legislative Council by Provinces ensures a recognition of the various interests and industries of the State, and I have no hesitation in saying that the present Council is as good a gathering as is possible to get so as to give to all their measures the most careful and capable consideration.—

This was written about a year ago—

—It is at times stated that the Legislative Council stands in the way of progressive legislation. However, in the last 25 years the Legislative Council has passed the following measures that may reasonably be classed as "democratic and progressive":—

No qualification for candidates to either House, giving complete freedom of selection, except that a man must be 30 years of age for the Legislative Council.

Four Constitution Acts, of which the 1911 Act practically reduced the franchise for the Council very materially.

Four Industrial Arbitration Acts.

Five Workers' Compensation Acts.

Four Factories and Shops Acts.

Two Early Closing Acts.

An Act to Enable Women to Sit in Parliament.

Hon. J. Cornell: That was the best Act of all.

Member: The best mad act!

Hon. Sir EDWARD WITTENOOM: Some members cannot agree with the views expressed by Mr. Cornell. However, the statement continues—

It is on the platform of the Australian Labour Party to abolish the Legislative Council. For my part, in my opinion, this plank will remain there only so long as that party are sure they cannot carry it. It is hard to believe that they would willingly do away with 30 positions carrying £600 a year each, but I can readily understand that they will do all that they can to cancel the qualification of the voter. In that event they would have the two Houses elected by the same voters, and therefore one or other would be superfluous.

I do not think we need say which would be superfluous. I do not propose to take up much more of the time of the House. In my opinion this is a deliberate and carefully prepared attempt by the Government to destroy the Legislative Council, and this is borne out by the fact that the abolition of the Council is a part of the Labour Party's pledge. Someone gave me a copy of the fighting platform of the A.L.P., and

that sets out that the first plank is the abolition of the Legislative Council. It is obviously the desire of the Government to destroy this House.

Hon. C. F. Baxter: They are pledged to it.

Hon. Sir EDWARD WITTENOOM: Members of the Labour Party who have supported the Bill may say that it is not their intention to destroy this Chamber, but the fact remains it is one of the planks of their fighting platform. In such circumstances, would it be possible for me to support the Bill? Can anyone imagine my doing so? Can anyone who has any respect for this House and memories of what good it has done in the past possibly vote for the measure? Mr. Cornell has his views regarding the qualification of age, but unfortunately it is the same with money as with age. They do not necessarily bring with them good sense.

Hon. J. Cornell: Then you do not say that an aged man is in the same category as aged matured wine?

Hon. W. J. Mann: That often turns to vinegar.

Hon. Sir EDWARD WITTENOOM: I am not in favour of the age qualification. Some say that money and property do not constitute a qualification, but I have also heard it said that the absence of money and property argues the incapacity and inability of the individual.

Hon. J. Cornell: The want of it is often an inconvenience.

Hon. Sir EDWARD WITTENOOM: We have excellent representation in this Chamber and I believe that the electors have been well represented. I shall vote against the second reading of the Bill.

On motion by Hon. E. H. Harris, debate adjourned.

MOTION—TUBERCULOSIS.

Dairy Herd, Hospital for the Insane.

Order of the Day read for the resumption from the 10th November of the debate on the following motion by Hon. A. J. H. Saw:

That, in the opinion of this House, the policy of hush-hush adopted by both the previous and present Governments in connection with the presence of tuberculosis in the dairy herd at the Claremont Hospital for the Insane, which supplies milk to the Children's Hospital, is not in the best interests of the health of the people.

Hon. A. LOVEKIN: Unless any other hon. member wishes to speak to the motion, I shall do as Dr. Saw has requested me to do, and if I speak that will close the debate.

Hon. J. CORNELL: On a personal explanation. I was approached to-day with a request that I should secure the adjournment of the debate until Tuesday next when Dr. Saw will probably be here.

Hon. A. LOVEKIN: In the letter he has written to me, Dr. Saw says that under medical advice he will not be here for two months. If I speak, that will close the debate.

Hon. J. CORNELL: On a point of order, I contend that the hon. member will not close the debate if he speaks, as he was not the mover of the motion.

The PRESIDENT: Mr. Lovekin cannot close the debate if hon. members will not recognise that he is speaking on behalf of Dr. Saw, and thus make it a personal matter. Under the Standing Orders, there is nothing that will enable one hon. member to act for another, and by speaking to a motion moved by some other hon. member, close the debate.

Hon. A. LOVEKIN: I do not know what the position is. I take it it is competent under our Standing Orders for a member to ask a question for another member or to move a motion for another member, and certainly I have Dr. Saw's authority in writing to act for him in respect of this motion. He goes so far as to leave it to my discretion to press the motion to a division or withdraw it, whichever course I see fit to take.

Hon. J. Nicholson: Why not let Mr. Cornell move the adjournment of the debate?

Hon. A. LOVEKIN: I have no objection to that.

On motion by Hon. J. Cornell, debate adjourned.

BILL—CRIMINAL CODE AMENDMENT.

Second Reading.

Order of the Day read for the resumption of the debate from the 10th November.

On motion by Hon. W. H. Kitson, debate adjourned.

House adjourned at 8.32 p.m.