

without any serious loss of capital. Never in the history of the State have the prospects been better, and we are hopeful that we shall find ourselves at a later period in the position of being able to declare that there is no further need for continuing the operations of the board. Everyone realises that the Industries Assistance Board has been a wonderful institution. It was created out of necessity and came into existence at a time when it was essential that something of the kind should be instituted. It has to a great extent been responsible for our existing prosperity. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

### **BILL—LOAN AND INSCRIBED STOCK. (SINKING FUND).**

#### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [9.19] in moving the second reading said: Prior to Responsible Government, Government loans were raised by the Crown agents. Those loans carried a sinking fund of 10s. per cent. per annum. This is different from our ordinary sinking fund in the following ways: (1) The instalments are paid to and invested by the Crown agents themselves. (2) Our ordinary sinking fund trustees do not come into the investment at all. (3) Unlike our ordinary sinking fund, these funds are invested in securities other than State stock. The loans which mature in 1934 amount to £998,353. The sinking fund on the 30th June, 1927, amounted to £821,473. The annual contribution from revenue has been £11,518. The investments are all earning interest, and not being in State stocks are not affected by the proposed Financial Agreement. It is estimated that by 1934, from interest alone, without any additional sinking fund contributions, there will be more than sufficient capital in the fund to redeem the loan fully at that date, which is the maturity date. These facts have been placed before the Crown agents in London and they agree that the position is as stated. In the Bill it is proposed to discontinue any further payment of sinking

fund instalments. Similar action was taken in 1923 when instalments of sinking fund to the Coolgardie Water Scheme Loan were discontinued, with the approval of Parliament. The Crown agents agree to the discontinuance of the instalments, subject to Parliamentary authority. The Bill represents the authority required by the Crown agents. It is proposed to authorise the suspension of contributions to the sinking fund as the sinking fund is sufficient, with accruing interest to redeem the loan at maturity without any further payments from revenue. A special provision has been inserted at the foot of the clause to provide that the contribution must recommence if the trustees at any time deem that necessary. This position, however, can arise only through the failure of any of the securities held by the trustees.

Hon. H. Seddon: Can you tell us the average rate of interest the stocks are earning?

The CHIEF SECRETARY: I shall supply the information when the Bill is in Committee. I move—

That the Bill be now read a second time.

On motion by Mr. Seddon, debate adjourned.

*House adjourned at 9.25 p.m.*

## **Legislative Assembly.**

*Wednesday, 2nd November, 1927.*

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

## QUESTION—ELECTORAL, COUNCIL ROLLS.

Mr. E. B. JOHNSTON asked the Minister for Justice: 1, Under what authority is a new roll being prepared for the Central Province? 2, How many electors whose names were on the old roll have been omitted from the new roll? 3, Is a list of those names available for public inspection? 4, Are new rolls being prepared for any other province? 5, If so, for which province?

The MINISTER FOR JUSTICE replied: 1, By proclamation dated 10th August, 1927, under the provisions of Section 37 of the Electoral Act, 1907, appearing in "Government Gazette," No. 37 of 12th August, 1927. 2, 435 as on 29th October, 1927. 3, Yes, information is always available at the electoral offices. 4 and 5, For all provinces in accordance with the proclamation.

## BILL—RAILWAYS DISCONTINUANCE.

Read a third time and transmitted to the Council.

## BILL—MENTAL TREATMENT.

Report of Committee adopted.

## RETURN—YARRAMONY EASTWARD SETTLEMENT.

MR. GRIFFITHS (Avon) [4.37]: I move—

That a return be laid upon the Table of the House showing:—1, The number of settlers in that portion of the country through which the Yarramony eastward railway is surveyed from Yarramony to North Hines' Hill and for 12 miles wide, i.e., six miles north and six miles south of the surveyed route. 2, The amount of Federal money advanced to them under the Soldier Settlement Scheme for (a) purchase of land, (b) all other purposes.

To make my motion clear I desire to amend it by inserting before "settlers" the word "soldier."

Mr. SPEAKER: The hon. member can amend his motion only by leave of the House.

Mr. GRIFFITHS: I ask leave to amend the motion in that way.

Motion, by leave, amended.

Mr. GRIFFITHS: I do not intend to detain the House for more than a few minutes. In bringing the motion forward, I have no desire to cause the departmental officers undue trouble. Some of the soldiers on the blocks at Quellagetting and other places are 20 miles from a railway and some of them have actually to travel more than 20 miles to get to a siding. As a result, some of them are getting more and more deeply into debt and they feel that their position is becoming economically unsound. They are fearful of the rumours that 17½ miles is now regarded as a payable distance for a farmer to cart to a siding, the rumour having arisen amongst certain people who do not understand the position. If that distance for carting is officially recognised, the soldier settlers feel that they will have to desert their holdings. The soldiers sent delegates to me and explained how their debts were increasing and how they were becoming more and more involved. They said they would never be able to liquidate the debts that are accumulating year after year. They are of opinion that if the return I have asked for were compiled, Ministers would realise how much State money has been advanced through the Agricultural Bank, the Industries Assistance Board and through the Water Supply Department, and that would constitute a cogent reason for proceeding with the building of the railway and stifling criticism against the proposal. Although it is rumoured that 17½ miles is considered to be a payable distance for farmers to cart their produce and requirements, the soldier settlers point out that the economic position has not changed since the days when 12½ miles was regarded as the maximum distance. The cost of fertilisers, bags, machinery and labour has increased considerably and imposts for taxation, hospitals and in fact for everything have so advanced that, though the price of wheat now is higher than it was, it has really not kept pace with the increased cost of commodities. If the information were compiled, the settlers and the Government would be better able to appreciate the position and something might be done to relieve those people whose position is constantly becoming less sound and less profitable.

On motion by the Minister for Lands, debate adjourned.

## PAPERS—EJANDING NORTHWARDS RAILWAY, ROUTE.

MR. LINDSAY (Toodyay) [4.43] : I move—

That all papers in connection with the survey and alteration to the survey of the authorised route of the Ejanding northwards railway be laid on the Table of the House.

The Minister for Works, in speaking on this question the other night, gave an explanation that to me is rather important, in fact it is more important than my motion. I am not so much concerned with the alteration of the route as I am with the principle underlying the action that has been taken. The "West Australian" report stated:—

Replying to criticism of the Engineer-in-Chief (Mr. Stileman) and allegations that the Ejanding northwards railway junction was being shifted 10 miles, contrary to the provisions of the Act, the Minister said it was a question on which side of the lakes the line would be built. The Surveyor-General drew the attention of the Engineer-in-Chief to the fact that there was excellent forest country to the east of the lakes which would within five years have to be served by a railway, and suggested that the country be examined before the route was finally settled to prevent mistakes that had been made in the past. The country was not known when the Act was passed. The Engineer-in-Chief was getting information, and if he made a recommendation, it would be considered by Cabinet, and, if necessary, an amending Bill brought down. To ignore the discovery of the new land would be foolish.

On that principle I intend to speak to my motion. I agree with the Minister for Works that mistakes have been made in the past. I have instanced some in this House, and the member for Avon (Mr. Griffiths) has just done so too. The Dowerin-Merredin railway is a case in point. The mistake consists in what is being attempted to-day, building a railway at a distance of 35 miles from the next railway parallel to it. The underlying principle of the whole question is whether the House should agree that railways are to be from 25 to 30 miles apart, and whether because a little bit of forest country is found, the route of a railway should be altered. The most important thing for the advancement of Western Australia is the development of our light lands.

Mr. Griffiths: You are right there.

MR. LINDSAY: I have here a report of the "West Australian" of the 29th October dealing with that question. The report contains a definite statement to the effect that for one acre of first-class land we have 20 acres of light lands. I do not agree with

that proportion, but I know we have a large area of light lands. Further, it is possible that heavy first-class country can be developed at a greater distance than 25 miles from a railway; but that is not so as regards light lands. If only our first-class lands are to be developed, Western Australia will be a poor old country when it has finished developing. Railways should be constructed to serve lands within a reasonable distance. Light lands cannot be developed with 20 miles' cartage. The Minister for Works said that he had sent engineers—not land classifiers—to investigate the Surveyor-General's statement as to the patch of first-class forest country some 10 or 20 miles further east. One would have thought that if it was only a question of forest country, an ordinary classifying surveyor could have been sent with a horse and sulky and a saddle and bridle. But, according to the Minister himself, engineers are being sent. For what purpose? To do what is being done to-day—survey a railway route. To me this is a highly important question. In constructing railways we should serve the whole of the lands available from it, and not only a portion. The Minister for Works introduced a Bill for this very line in 1926. Some three years previously the Railway Advisory Board had reported in favour of building a railway further north. According to that report, the line was to stop 25 miles north of Beneubbin. The reason why the railway did not go north from Ejanding, according to the report, was that the land there was not good enough to warrant the building of a line. The Light Lands Commission's report did more than anything else to alter the route of this railway, Mr. Bosstock having reported that the land which the alteration would serve was good wheat land. Consequently the Railway Advisory Board went through the country again and altered the route so as to serve the whole of the lands available there. In moving the second reading of the Bill for the railway, the Minister for Works said—

The object of the proposed railway is to serve the country east of the Wongan Hills and up to Mullewa. The original proposal was to construct the line eastward from Pithara to Lake Mollerin. It was found, however, that such a route would leave the very substantial area of 280,000 acres unserved by a railway.

Why is that land unserved by a railway? I shall explain the reason. We have Mr.

Stileman's report on the extension of the Fremantle harbour works, and to that report is appended a map. Taking the area of 280,000 acres, the whole of the lands were at that time within 20 miles of an existing railway. Looking at the line from Goomalling to Wyalkatchem, one sees that there is a distance of 36 miles intervening, and as one goes north to Wongan Hills the distance increases to 46 miles. That land was not served by the railways in the district, and we have no further knowledge of it to-day than we had 18 months ago. We did authorise a railway to serve that country, and the railway is now being built. Since the discussion on that railway proposal took place, 400,000 acres, according to the Minister's own figures and according to information I received from the Lands Department to-day, have been selected in the district and are now being put to some use. What is more, the State is receiving land rents for that area. The land lay idle until a railway was suggested, a fact showing clearly that people realise they cannot farm land at such a great distance from a railway. If we decide that a distance of 35 or 40 miles should intervene between parallel railways, we ought to stop the construction of this railway altogether, and take it north from Koorda instead. That, however, is not my suggestion. As regards the line about which the member for Avon (Mr. Griffiths) has spoken so often, the maps of the Lands Department show that along the route of the railway to-day there is still a large area of light land in the hands of the Crown, unselected. Why? Because people have realised that the land is too far away from existing railways to be worked profitably. But in the other portion, where a railway is, not built, but being built, 400,000 acres, consisting principally of light land, were selected from the Crown last year. Major Emmett, as the Minister for Lands knows, although he selected his area only two years ago, now has 2,000 acres under crop and 4,000 acres fallowed. That is land which was open to be selected by anybody until the railway was proposed. The only reason why other light land is not farmed is distance from a railway. With the "West Australian's" statement that we have only one acre of first-class land for every 20 acres of second and third-class lands I do not agree. I have some knowledge of the electorate which I represent. According to plan 33/80, there is further east a greater proportion of first-class land; yet my electorate, which

has a greater proportion of second and third-class land, is the area which produces more wheat than any other area in Western Australia. The plan is question covers an area of 600,000 acres, of which last year 127,000 acres were stripped for wheat. That is equivalent to a quarter of the land comprised in the plan. We may assume that at least half the land under crop in that area is second or third-class. The records show that of the land comprised in plan 33/80 not an acre, good, bad or indifferent, remains to be selected. That fact says something for the light lands of Western Australia. The average yield last year of the area I refer to was 13.11 bushels per acre as against an average State yield of about 11 bushels. This proves that our light lands admit of development. It also shows, at all events to me, that if we alter the route of a railway because we hear of a bit of forest country in this place and of another bit in that place, we are adopting a course that is utterly wrong. The illustrations I have given prove that such a course must result in leaving a large area of this State undeveloped, to become breeding grounds for rabbits and dingoes with which agriculturists and pastoralists will have to contend. Is there any real reason in favour of building railways 35 miles apart? We have been told that motor transport will alter the position. I do not think so at all. My experience leads me to believe that motor transport has not reduced the cost of haulage, though it has quickened the rate of haulage. Another illustration is that people 15 and 20 miles from a railway require special roads, and when it comes to paying for those roads, farmers close to the railway have to bear an undue proportion of the cost. The Land Valuations Commission quite recently raised the valuation of land near railways, in some cases within my knowledge to the extent of 800 per cent. But at a distance of 10 to 15 miles from a railway valuations have practically not been increased. Take, for instance, the Dalwallinu Road Board area. The average increase in valuations for that district is 105 per cent., but I can state that land within three or four miles of a railway has experienced increases ranging from 400 to 800 per cent. That shows that farmers near a railway are taxed to provide roads for farmers a long way out. The former, therefore, are paying a greater proportion of the tax for roads, paying not only for their own roads but also for roads required by farmers a long way from the siding. I

have here a letter from a resident of the district in question. I shall not read it to the House, but shall give a resumé of its contents. The writer is located 23 miles from the railway, and has been on his farm for about 14 years. He is carting his wheat by means of a one-ton truck and a trailer. This year he will travel 7,500 miles to cart his wheat if his return is four bags to the acre. The farmer has to live as well as grow wheat, and so have his employees. On the average a farmer must go to the siding twice a week. Farmers do not cook their own bread, and many of them have no sheep. Moreover, they have to come in for their stores. Again, farmers and their womenfolk consider they have the right to an occasional look at a town. Motor transport is used for that purpose also. My correspondent writes that it will take him three months to cart his wheat to the siding this season. He goes on to say that if that condition of things is to continue, he will have to scrap his one-ton truck and buy bigger transport, and that if he spends his funds on this he will not be able to put them into the development of his farm. He also states that men now on light land are saying that if they are to be forced to continue carting over present distances, it will mean that they must abandon their holdings. I do not wish any member of the Government to think that I am taking up this matter from a party aspect. There is no party aspect to it. I bring it forward as a matter of principle. I hope that as the result of my remarks on this subject, when the suggestion of the Engineer-in-Chief comes before Cabinet the policy of the past will be continued. One reason for my moving this motion is the existence of a kind of propaganda to induce people to change their views as to the limit of cartage distance from a railway. The "West Australian" is taking the lead in the matter. I spoke on the subject at length a week or two ago and was answered by the Premier and the Minister for Works, the latter directing his reply mainly to me. Yet when I read the "West Australian" on the following morning, it appeared that I had never spoken. Later the same newspaper published a deal of matter on the same topic. I should mention that the first time I spoke on it, the "West Australian" published a subleader dealing with the matter.

The Premier: Just see the alleged scheme the "West Australian" has in hand.

Mr. LINDSAY: I have here a cutting from the "West Australian" showing how that paper is endeavouring to get its own way. It not only wants to be Western Australia's leading journal, but wants to influence public opinion just as if we Parliamentarians were not here for that purpose. The cutting reads—

The members of the Railway Advisory Board have returned from an inspection of the country eastward of the proposed Mollerin extension, which curves eastward from the head of the Ebanding northward line. There is said to be some very good wheat land east of Mollerin—

They do not know anything about it! Some one said it!—

If the members of the board recommend the construction of a line eastward past Lake Mollerin, the line will presumably run parallel with and about 30 miles north of the Koorda-Lake Brown line.

I am prepared to say that the newspaper had no information from the Advisory Board to the effect that they intended to construct the line in the way suggested, 30 miles away from the Koorda-Lake Brown line. If the Advisory Board have given any such information or have decided upon that course of action, I shall be surprised indeed. I believe those who comprise the board know the position as well as as we do. It is natural that people shall be influenced by public opinion and it is possible that the members of the Railway Advisory Board may be influenced by this article. There is another paragraph in the same issue of the "West Australian" which reads—

Bank Policy . . . . Railway Zone . . . . At present a great deal of thought is being given to the question of extending the 12½-mile zone in connection with land settlement and railway construction. To-day the Agricultural Bank will not advance money to settlers who take up land more than 12½ miles from an existing railway. Careful inquiry suggests that the Government, many responsible officials, and a number of country members of Parliament favour an extension to 15 miles, but not beyond. If this departure were made it would involve railways being built 30 miles apart.

The Premier: Does that report say that after careful inquiries the Government have favoured 15 miles?

Mr. LINDSAY: It says that careful inquiry suggests that the Government, many responsible officials and a number of country members of Parliament favour an extension to 15 miles, but not beyond.

The Premier: The "West Australian" has no warrant for saying that about the Government. You can speak for the Country Party.

Mr. LINDSAY: So far as the members of the Country Party are concerned, the newspaper has no warrant for saying it either.

The Premier: The question has not been considered at all.

Mr. LINDSAY: I have dealt with this question from the point of view of agriculture. I have tried to show the House that, in my opinion, practically 95 per cent. of the wheat lands of Western Australia can be put under production provided the Government do their part and furnish reasonable haulage facilities. If railways are built 35 or 40 miles apart, there will always be a belt of second and third-class country that will not and cannot be farmed from that distance, while the first-class land only will be taken up. Our railway system should be built to serve the whole of the land and not merely a part of it. We have made mistakes in the past and I have dealt with them from time to time. I have mentioned the Dowerin-Merredin line that, in my opinion, was built too far from the goldfields railway. That is the mistake the Minister for Works alluded to. Another mistake was made regarding the line built out from Wyalcatchem. It should not have started from that centre because it left 280,000 acres of agricultural land unserved. We are building the Ejanding Northwards railway in order to serve that area. It is because of these things that I do not want further mistakes to be made. We should not build any line in the wheat belt 35 miles apart from the nearest railway. If we view it from the financial standpoint we see that the suggested alteration of policy cannot arise from any such consideration.

Mr. Griffiths: Look at the returns for the last three months!

Mr. LINDSAY: In 1914-15 we had 3,332 miles of railways in operation, whereas in 1926-27 we had 3,918 miles of working railways, or an increase of 586 miles during the period. It may be asked whether the revenue derived from the railways has gone back. The answer to that is that the railway revenue to-day is better than ever before, and that arises from the fact that we have built railways 25 miles apart. In 1914-15 the revenue amounted to £2,163,790, whereas in 1926-27 the revenue was £3,869,300, or

an increase of £1,705,510. That is an increase of nearly 60 per cent. Let us look at the increased wheat production. In 1917-18 we produced 9,303,787 bushels of wheat whereas in 1926-27 we produced 30,021,616 bushels. That shows that our policy of agricultural railway construction has been successful. Have we anything to learn from the Eastern States? The Western Australian railway system is the only one in Australia that is showing a profit to-day, so that we have not done anything very much wrong in connection with our railway policy. Last year there was a surplus of £1,801, but that does not take into account the £45,000 derived from land tax to which extent freights were to be reduced. One of the most important questions that we have to discuss in this House—it is recognised by every member and by every political party—is the future of the State, and it is generally conceded that it rests upon our primary production, particularly from our agricultural lands. We have still many millions of acres of agricultural land to be developed, and I consider they should be developed in the proper way. I object to the Engineer-in-Chief, who has no knowledge of agriculture in Australia, seeking to make any alteration or even to advise his Minister upon an alteration in our railway policy, the effect of which would be that the railways would be built much further apart than we decided in the past was essential. I believe the question of the routes of railways is all-important. We have had many debates regarding that phase. It is the route that determines whether we shall open up a part or the whole of the country. It is time the people of Western Australia dropped the pessimism that has been indulged in regarding our light lands. I repeat what I have said on former occasions that it is the light lands of Western Australia that will make the State famous for its wheat production. When we are considering the construction of railways, the lines should not be deviated towards the tall trees that are growing in a certain part. I expect the Minister will agree to the motion, because he has given me the information I asked for in a speech that he made. I have taken advantage of this opportunity, as a wheatgrower and as a member representing country interests, to voice my protest before anything happens. This is the time to adopt that attitude: it will be too late to do so afterwards. It would be useless then to protest against an

alteration of the railway policy of the State that lines should be 25 miles apart.

On motion by Minister for Works, debate adjourned.

### ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the undermentioned Bills:—

- 1, Trustees Act Amendment.
- 2, Bills of Sale Act Amendment.

### BILL—STATE INSURANCE.

#### *Second Reading.*

Debate resumed from the previous day.

**MR. THOMSON** (Katanning) [5.10]: We have discussed a Bill of this description before and I want to congratulate the Government on their persistency, and also upon their desire to give effect to their policy, which means the nationalisation of all industries. When the Premier introduced the measure he said that he had a mandate from the people to do so.

The Premier: I withdraw the mandate and stand on the merits of the Bill.

**Mr. THOMSON:** That is something, but it does not get away from the fact that the Premier made the statement.

The Premier: I will not press it.

**Mr. THOMSON:** I am prepared to deal with the merits of the Bill at a later stage. It is purely a question of opinion as to whether it is right or desirable in the interests of the State that we should have State enterprises. There is no gainsaying the fact that the policy of the Government is to nationalise all industries. Therefore, while we may congratulate the Government on their sincerity, as evidenced by their attempt to give effect to that policy, I take strong exception to the statement that the Premier made when he said that the Government had received a mandate from the people. On a previous occasion I quoted figures to prove conclusively that they have no mandate. I have pointed out that the Opposition gained 23 seats with 76,145 votes, giving an average of 3,310 votes for each seat. The Government came back with 18 members elected for seats that were contested, and 64,361 votes were recorded in their favour. In addition, they secured nine seats that were uncontested. Those

seats, according to the number of voters on the rolls, represented a total of 16,862 votes. The average percentage of votes cast throughout the electorates where contests were held was 72 per cent., or a total of 12,140 in respect of the number of voters on the rolls for the uncontested seats. That would give the Government a total of 76,501 votes as against the Opposition's total of 76,145 votes. It will be seen, therefore, that the margin is so small that it cannot be claimed by the Government that they have a mandate. I respectfully draw the attention of the Government to the fact that their majority is not sufficient to warrant any such claim.

The Minister for Mines: But you have disagreements on your side of the House already.

**Mr. THOMSON:** Speaking on behalf of the Country party, I would point out that we have a platform which contains a plank setting out that we are opposed to State trading, because we believe it is the function of the State to govern and not to trade. That is one of the reasons why I strongly oppose the passing of this measure. Last session the Premier said it was with great reluctance that he accepted the responsibility of introducing the State Insurance Bill. When the Workers' Compensation Act was introduced we all recognised that it was only fair that a greater amount should be provided by way of compensation. But certainly the House never imagined that it was the intention of the Government to place on the shoulders of the private insurance companies the past responsibility of the mining companies.

The Premier: Placing the responsibility on the insurance companies! Surely it would be placing it on the mining companies, not the insurance companies.

**Mr. Kenneally:** The hon. member cannot do that.

**Mr. THOMSON:** No. That is why the insurance companies have shown such heavy losses on workers' compensation business. The Government actually did intimate to the insurance companies, by their insistence on the fixing of a low rate for workers' compensation business, that they would have to carry the past responsibility of the mining companies. There is no getting away from that.

The Premier: The companies refused to quote any price at all.

**Mr. THOMSON:** Early in 1925 an agreement was made under which the rates for

workers' compensation insurance were to be reviewed.

The Premier: Are you speaking of the Third Schedule?

Mr. THOMSON: I am speaking of the effect it had under the Workers' Compensation Act.

The Premier: But there are two separate phases. Of which are you speaking?

Mr. THOMSON: I am speaking of the lot. The Minister for Works broke the agreement and set up a State Insurance Office, and the companies after two years' experience were compelled to review the rates. The fact that this was done while the Bill was pending showed that the companies were acting in good faith. Two years' experience of workers' compensation insurance imposed upon all the companies a ratio loss of 99.8 per cent., without any allowance for administrative costs or taxation. I have been informed that for every £100 the insurance companies have received in premiums on workers' compensation business they have had to pay out in claims a minimum of £114, and that not allowing anything for administrative expenses or for the cost of collecting the premiums. Therefore the companies were certainly up against a very difficult position.

Hon. Sir James Mitchell: I am afraid there has been a good deal of fraud about some of this business.

Mr. THOMSON: Of course you are referring to the claims put in by the medical men?

Hon. Sir James Mitchell: Their claims in part, and claims put in by others also.

Mr. THOMSON: I am not going to enter into that question. However, that is the position the Government will have to face equally with the insurance companies if they continue in this class of business.

The Premier: The companies are encouraging all workers' compensation business to come to us; they are putting all doubtful risks on us.

Mr. THOMSON: That is not justification for the Government entering into this class of business.

The Premier: We have carried it on without loss.

Mr. THOMSON: The Government are in a very happy position. They have been able to use the whole of the governmental departments. They are without doubt the largest employers in the State, and therefore they have been able to debit up to various departments, without any expenses except

book entries, all the workers' compensation business. Not only that, but the Minister for Works, utilising his ministerial position, plainly indicated to the road boards that they must insure their employees with the State office. As a matter of fact, it was one of the conditions laid down in all contracts entered into for the construction of roads under the Federal aid grant that the contractors had to insure in the State office. Of course, when one is in the happy position of having no competition, and when the business comes to one without any expenses, then the small profit of £1,400 the Government claim to have made does not redound so very much to the administration of the new office after all.

The Premier: That is the whole case for State insurance. The business will come without all this competition.

Mr. THOMSON: That is the argument the Premier put up in the House when he moved the second reading a few weeks ago, namely, that by virtue of having State control he would be able to wipe out all charges and so save the State a considerable sum of money.

Hon. W. D. Johnson: Is not that common sense?

Mr. THOMSON: Let me reply to that. We have our State timber mills.

Hon. W. D. Johnson: There is no comparison between the two.

Mr. THOMSON: Of course not. But it does not cost the State anything for timber royalty, nor are there rates and taxes to be paid. If the argument brought forth by the member for Guildford (Hon. W. D. Johnston) is correct, why is it that the timber being sold by the State mills is sold at exactly the same price as that from any private company? Of course, it is because the State mills are part and parcel of the combine. Then we have the State brickworks. The Premier said last night that the works had been responsible for a reduction in the price of bricks. That may be so in respect of the metropolitan area, but I defy the Premier to give an instance showing that the inauguration of the State brickworks has reduced the price of bricks in any country district.

The Premier: Well, what an argument!

Mr. THOMSON: Yes, what a wonderful argument it is to put up when we remember that the State brickworks were brought into being to prevent the owners of private works from charging the public too high a



price. But can I give a better illustration than that of the State timber mills?

The Premier: Bricks are all mixed up with insurance, Mr. Speaker.

Mr. SPEAKER: Order!

Hon. Sir James Mitchell: You have to insure the men employed there.

Mr. THOMSON: There are Government employees in the State brickworks and in the State timber mills also. Therefore, it costs the State insurance office not a penny piece to insure those men. Contrast the position of a private insurance company that has to compete with—

The Premier: With its unnecessary army of canvassers.

Mr. THOMSON: The same argument can be applied to the army of men engaged in the timber industry outside the ramifications of the State sawmills. They should be wiped out. If the argument the Premier uses is logical, namely, that by the introduction of State insurance we are going to reduce costs to the State, then the same argument should apply to all Government activities. I respectfully point out that in the illustrations I have given this is not borne out by facts. Notwithstanding that the insurance companies, in two years' experience of workers' compensation business, have shown a ratio loss of 99.8 per cent., without allowing for administrative costs or taxation, the Government are now telling the people by means of this Bill that they are going to eclipse all previous notions of State trading—which in the past, on the whole, has not proved very satisfactory to the State—and that this is the one business the Government are going to enter in which they will be able to make substantial profits.

The Premier: The companies have slipped in putting that up to you, because several of them are showing decent profits.

Mr. THOMSON: When the State brickworks and the State sawmills were brought into existence they were going to be the policemen to protect the public from exploitation by Millar's combine.

The Minister for Mines: So they have been.

Mr. THOMSON: And the State sawmills to-day are part and parcel of the timber combine.

Miss Holman: No.

Mr. THOMSON: It is correct.

Miss Holman: It is not correct.

Mr. THOMSON: Then how is it that they charge the same price for their timber as

do the alleged combine of private companies? How is it they are charging exactly the same price?

The Premier: By the same coincidence, I suppose, as led all the 60 private insurance companies, without any combine, to charge the same rates. It is merely a coincidence.

Hon. Sir James Mitchell: An honourable understanding.

Mr. THOMSON: The Premier, when moving the second reading, pointed out that although there were between 50 and 60 companies in the State, it was a remarkable coincidence that they all charged the same rates for insurance. Therefore he said it was safe to assume that there was between them a combination or honourable understanding. As a parallel, we have the remarkable coincidence that the price for State timber is exactly the same as that charged by the private timber companies. So we are able to assume that there is an honourable understanding between them, and we will leave it at that. The insurance companies have lodged with the Treasurer in compliance with the Insurance Act the sum of £290,000, equal to £5,000 from each company. That is very cheap money for the Government, who pay only  $4\frac{1}{2}$  per cent. interest. I assume that now the Government have decided to establish a State Insurance Office it will cover all the ramifications of the insurance business. It is possible, within the meaning of the Bill, for the Government to go in for life insurance and any other class of insurance. The Premier said it was not intended to embark on that business, and that they had entered into the matter at all with great reluctance. They showed now great their reluctance was last session, when they entered into the business of workers' compensation, and now it is proposed to engage in every class of insurance business.

Mr. Panton: Surely you realise there has been an election since, and that this was part of the Premier's policy!

Mr. THOMSON: That is a matter of opinion.

Mr. Panton: It is a matter of fact.

Mr. THOMSON: It is a matter of opinion, whether it is right or wrong. It is not in the interests of the State that this business should be carried on. The insurance companies have paid in direct taxation to the Government the sum of £42,261. At first blush one would say that, if the insur-

ance companies are in a position to pay that sum by way of direct taxation, they must be making enormous profits. Insurance is the only class of business the Government levy a charge upon or upon the turnover. For every £100 that is collected by way of premiums by the insurance companies, the Government get £2 10s. Now they desire to make money for the State, and they are going to sacrifice £42,261, that is, provided they are able to get the whole of the insurance business.

The Minister for Railways: That is a good thing; it will mean reducing taxation.

Mr. THOMSON: It will not mean reducing taxation. This is a direct charge upon the premiums. It is not taxation. It is an impost and a surcharge of  $2\frac{1}{2}$  per cent. on the business the companies do. If the Government show a loss it does not matter. The companies will have to pay £2 10s. per centum on premiums.

The Minister for Railways: They arranged for that.

Mr. THOMSON: Of course. It is the only class of business upon which such an impost is levied.

Mr. Panton: Do they not pass it on?

Mr. THOMSON: The companies have paid in salaries, commissions and general charges, £244,390 during the past 12 months. All that money is taxable. The Treasurer is able to levy, through the Taxation Department, a considerable impost upon that sum. We have been told that the administrative expenses of the companies are unduly high. In the interests of the people the Government have decided to establish a State Insurance Office. They say they believe they will be able to reduce charges and premiums. The Government are in a very happy position. They are the largest employers of labour in the State, and the business they do will not cost them anything to collect. They will be in a similar position as regards all their buildings. Let me assume that we have 48 insurance companies in the State.

Hon. W. D. Johnson: There must be more than 48.

Mr. THOMSON: I find there are 58. I do not say that is too many or too few.

Hon. W. D. Johnson: Perhaps that is the crux of the question.

Mr. THOMSON: It may be argued that there are too many members of Parliament, or too many employees in the Government service. It has been said there are too many bakers and butchers, and too many

businesses. What right has any Government to prevent any business from being carried on unless it is a danger or a menace to the public?

Hon. W. D. Johnson: They are not preventing any business from being carried on.

The Premier: That is so.

Mr. Chesson: The Government are merely starting in opposition.

Mr. THOMSON: They are starting in opposition, but are giving the companies a severe handicap. The companies, with whom the Government propose to enter into competition, have first of all to place £5,000 in the hands of the Treasurer to show that they are able to meet the calls made upon them. In addition there is a levy of  $2\frac{1}{2}$  per cent. on all the premiums they collect. The wages and salaries that the Government pay are liable to taxation, but the Government have no rates or taxes to pay. If the State Insurance Office intervenes, it will start out under favourable conditions. Private citizens are being handicapped in their businesses by the action of the Government. It appears that the Government are out to get the whole of the business. If members opposite persist in their attitude of establishing a State Insurance Office, and in seeing that all the business goes into the State Insurance Office, they will make the conditions so hard that it will be unprofitable for any private company, which has to pay office rent, staff, printing and lighting, to carry on its business. We know the restrictions that are being placed upon the motor industry through taxation. The member for Claremont dealt fully with that last night. Heavy imposts are being levied upon those engaged in motor transport.

Mr. Panton: By Act of Parliament. Be fair!

Mr. THOMSON: The imposts were imposed by the Government.

Mr. Panton: You do not know what fairness is.

Mr. THOMSON: It was done so that motors could not compete with the railways. I was charged by the ex-Minister for Lands with being an interested party at the time when we were discussing that very Bill. I am using that merely as an illustration to show what is possible to happen with a Government that is keen on bringing everything under their control. The Government intend to do all they can to make the business of the insurance companies unprofitable.

Mr. Panton: You do not believe in open competition.

Mr. THOMSON: I believe that statement. They are starting out in a happy position. They have no rates and taxes to pay, and no charges. At least 90 per cent. of the business will come to them, because an order will be issued that all Government insurance business shall go to the State office. We also know that influence is being brought to bear upon road boards by the Government. It has been stated that outside companies have contested the claims made upon them. On many occasions the companies have paid, because they could not afford to repudiate the claims. The Government are aiming at a monopoly for themselves.

The Premier: Oh dear, oh dear!

Hon. W. D. Johnson: How do you read that into the Bill?

Mr. THOMSON: Did you ever hear of such a thing?

Mr. SPEAKER: The hon. member must address the Chair.

Hon. W. D. Johnson: Take what is in the Bill.

Mr. THOMSON: If members opposite are going to be true to their utterances, they will never rest content until all the business goes to the State Insurance Office.

Mr. Panton: Then it will do a lot better than New Zealand has done.

Mr. Mann: If you do not show out better than New Zealand it is not worth while going on.

Mr. THOMSON: In Queensland the employers' liability constitutes a monopoly to-day.

The Minister for Mines: And the employers are receiving the benefit of it.

Mr. THOMSON: I do not know that they are.

The Premier: Their Act provides for a monopoly, but this Bill does not.

Mr. THOMSON: Of course not

The Premier: For goodness' sake, stick to the Bill.

Mr. THOMSON: It proves what the objective of the Premier is.

The Premier: Not at all.

Mr. THOMSON: Does the Premier deny that the policy of his party is the Nationalisation of all industry?

The Premier: That is not in the Bill. What has that to do with it?

Mr. THOMSON: I congratulate the Government on endeavouring to put their policy into effect. If I were sitting on the oppo-

site side of the House, I would endeavour to put into effect the policy I had placed before the people. I take no exception to the Government endeavouring to give effect to their policy, but I do say that every member who wishes to do so has the right to object to that policy. I object to it on the score that it is not in the best interest of the State. The policy of the Government is the nationalisation of all industry. If this Bill becomes law, and the Government are given the right to enter into a business in which they are now illegally engaged, I shall be very much surprised, judging the party by its past actions, if an endeavour is not made to bring the whole of the insurance business into the State office.

Mr. E. B. Johnston: The first Bill provided for that.

Mr. THOMSON: That is behind the Bill. It is possible, if the Government remain long enough in office, for them to accomplish their objective. Having accomplished their objective and having secured the whole of the insurance, accident, fire, hail and everything else, what is going to be the position of the person who makes a claim against the Government? Of course the Premier and those sitting with him will say they will pay. Our Railway Department is a State monopoly and I ask any hon. member who has had occasion to make a claim against that department whether it would have paid him to take that claim to the court. In nine cases out of ten the claimant accepts what is offered to him, and thereby suffers a loss.

The Minister for Railways: No, because it is the right payment.

Mr. THOMSON: Of course it is right. Let me tell the Minister respectfully that he does not know what he is talking about. He has never had occasion to prefer a claim against the Railway Department.

The Premier: We have had bricks and timber, and now we are getting railways.

Mr. THOMSON: I have put in claims and I have never been able to carry them through.

The Minister for Railways: We provide courts.

Mr. THOMSON: Of course we do, but we have to prove that there has been deliberate and wilful negligence on the part of the Railway Department, and who can afford to fight the Government? We know that there are scores of people who, every year, pay more than they should do by way of land and income tax to the Government,

rather than fight the Commissioner of Taxation.

The Premier: Now we are on taxation.

Mr. THOMSON: I assure the Minister for Railways, though I do not think he needs any assurance because he must know it, that the Government—possibly quite unintentionally—rob a large number of the people of the State through the Taxation Department. My friend the member for Toodyay had to fight the Commissioner of Taxation.

Mr. SPEAKER: Order! The hon. member must confine himself to the subject.

Mr. THOMSON: I am respectfully giving illustrations.

The Premier: You have not touched on State hotels yet.

Mr. THOMSON: I am giving illustrations to show what can happen when the Government secure a monopoly. I have spoken from experience with regard to the Railway Department. No man can afford to fight that department, and the same position can arise if we grant the Government a monopoly of insurance. The position to-day is that a private individual is able to and will fight an insurance company who have not the whole ramifications of the State finances behind them. Therefore it is not in the interests of the workers that there should be a State monopoly in respect of insurance. Regarding the amendment to the Workers' Compensation Act, it was said that the insurance companies would not accept any responsibility and that therefore the Government were reluctantly compelled to enter into the business. The Government placed an impost of £4 15s. on the mining industry as far as the employees were concerned. That meant an impost of approximately £11 or £11 5s. for each man engaged in the industry. The Government recognised that, because they relieved the mining companies—and I entirely approve of the action taken—of the charge on the industry, granting the relief out of the Federal grant.

The Minister for Mines: There was no other way of doing it.

Mr. THOMSON: I stated in this House that the Government had brought in an Act that had compelled these men to leave their employment, and therefore, I maintained the charge should be on the State.

The Minister for Mines: The money does not come out of the revenue of the State. You do not know what you are talking about.

Mr. THOMSON: It is coming out of the Federal grant.

The Minister for Mines: It is not.

Mr. THOMSON: That statement was made in the Press.

The Minister for Mines: It was not. I will not allow you to misrepresent the position.

Mr. THOMSON: Then from which source has it come?

The Minister for Mines: No man who has been compelled to abandon mining comes under the Workers' Compensation Act.

Mr. Richardson: Where does the money come from?

The Minister for Mines: We do not compel men to leave the mines as the hon. member said.

Mr. THOMSON: If the men are compelled to leave their calling they should be compensated out of the funds of the State. The Premier told us that the companies in New Zealand gave rebates amounting to £231,000, and he said, "Would they have disgorged a shilling of that if they had not been forced to do so by the Government Insurance Fund?" That is a very ungenerous statement for the Premier to make; he had no warrant for making it. We are to infer that the insurance companies in New Zealand would not have granted those rebates if there had not been State insurance in existence.

Hon. W. D. Johnson: Is that not commonsense again?

Mr. THOMSON: The hon. member is a judge of commonsense, but he does not know what common fairness is when he makes an interjection such as that. In 1909 the rate for crop insurance in Western Australia for two months cover was 30s. per cent. Three years ago the reduction, based on experience, brought the rate down to 17s. 6d. The reduction benefited those who insured to the tune of no less than £31,000. That was before State insurance came into existence. Of course we know that in this House the numbers are up already, that the members on the Government side will vote solidly for the second reading.

The Minister for Mines: And naturally the members on your side will vote solidly against it.

Mr. THOMSON: Yes, because we are just as consistent in our opposition to State trading as the Minister is in his desire to support State trading. I am voicing my protest against State insurance and I intend to vote against it because I am opposed to

State trading. I do not believe that State trading is in the interests of the community. It has been proved in the past to be wholly unsatisfactory.

Mr. Panton: That is a matter of opinion.

Mr. THOMSON: Of course. Your State butchers' shops—

Mr. Panton: We have not any.

Mr. THOMSON: The butchers' shops and fish shops were brought in ostensibly to reduce the cost of living, but what effect did they have? None at all. Similar enterprises were established in Queensland, but they had no effect in that State.

Hon. G. Taylor: What happened to the fish shops?

Mr. THOMSON: All that we know is that they were supposed to be of great assistance to the workers, and that they had no effect whatever on the cost of living. Regarding the Bill we are discussing we know that it will pass in this House because of the majority the Government have behind them. As a matter of policy members opposite will vote solidly for the Bill.

Hon. G. Taylor: You can hardly refer to it as a State trading concern.

Mr. Panton: You see that you are not as solid on your side as you thought you were.

Mr. THOMSON: There is no gainsaying the fact that it is a trading concern, and that it will interfere with the functions of companies which to-day are taxpayers. I predict that if the Government do carry the Bill and it becomes an Act, it will be found in the long run, judging by past experience of the conditions that will be imposed through the medium of the Arbitration Court, it will not be possible to do the business any cheaper than it is being done at the present time by the companies. The effect of State insurance, however, will probably be that it will drive out of business those companies that are to-day paying taxation, and it will drive out of employment men who to-day are performing useful functions.

The Minister for Mines: Why?

Mr. THOMSON: The Government will enter upon the business of insuring crops. Is the hon. member prepared to undertake the insurance of crops, machinery and buildings without inspection?

Mr. Lutey: A select committee of this House recommended State insurance of crops.

Mr. THOMSON: Select committees are not always correct. I will guarantee that if I were chairman of a select committee and

a majority of that select committee brought in a recommendation that it was not in the interests of the State that we should introduce State insurance, the hon. member would not take much notice of it; he would still stick to his opinion.

Mr. Panton: That would be a minority report.

Mr. THOMSON: It would not.

Mr. Panton: You would never get the other four members of a select committee to agree with you.

Mr. THOMSON: Yes, I would. However, I insist that State insurance is not in the interests of the State. Take the position the Government are assuming in connection with the maintenance of the tram tracks.

The Premier: Now we are getting it on roads.

Mr. THOMSON: They are sliding out of their obligation by a legal quibble.

Mr. Richardson: They are backing out of their agreement.

Mr. THOMSON: Here we have a Government not prepared to stand up to their obligations.

The Premier: I appeal to you, Mr. Speaker, as to whether the hon. member is in order. His remarks should have a semblance of bearing on the subject before the House, but he is now dealing with the attitude of the Government towards the maintenance of the tramway tracks. Surely that is not relevant to the subject of State insurance?

Mr. SPEAKER: Certainly not. The hon. member's remarks are irrelevant and I trust he will confine himself to discussing the Bill before the House.

Mr. THOMSON: I had almost completed what I desired to say. I have given those illustrations to show the danger of this measure and what has actually occurred in Governmental activities of a similar kind. The Government, having the finances of the State behind them, are able to defeat private citizens with whom they come into competition. I oppose the second reading of the Bill because I am opposed to State trading.

HON. W. D. JOHNSON (Guildford) [6.1]: I welcome the Bill because it deals with a subject upon which I had a great deal to say during my election campaign. I believe that a considerable proportion of the support I obtained was due to my strong advocacy of the State entering into the insurance business.

Hon. G. Taylor: That is all moonshine.

Hon. W. D. JOHNSON: I found, in speaking not only in my electorate but in other parts of the State, that a keen interest was displayed by the people in the question of State insurance. I disagree altogether with the views expressed by the member for West Perth (Mr. Davy), who stated that the people were not interested in the question to an extent that would enable them clearly to understand the issue, and therefore the Premier was not justified in claiming that he had a mandate from the people for the introduction of State insurance. I have been associated with politics for a good many years and I have never known the people to be so thoroughly interested in a question as they were in the question of State insurance. At every meeting I addressed a keen interest was displayed in the subject and pronounced support was manifested of the Government's policy. Even in those constituencies where Labour members were not returned, I found that the Opposition were not prepared to oppose State insurance.

Hon. Sir James Mitchell: You found it!

Mr. Richardson: I heard nothing of State insurance in my electorate during the whole of the election campaign.

Hon. W. D. JOHNSON: Wherever I went Opposition candidates avoided the issue of State insurance.

Mr. Richardson: Of course!

Hon. W. D. JOHNSON: They were not prepared to debate the question.

Hon. Sir James Mitchell: Did you mention it?

Mr. Richardson: I am prepared to debate it with you.

Hon. W. D. JOHNSON: The House will welcome the contribution of the hon. member

Mr. Richardson: Do not put up that gush here.

Hon. W. D. JOHNSON: I say emphatically that the member for Subiaco was not enthusiastic in his opposition to State insurance.

Mr. Richardson: I tell you the question was never raised.

Hon. W. D. JOHNSON: How could it have been avoided when there was a Labour candidate opposing the hon. member?

Mr. Richardson: Well, he did not raise it.

Hon. W. D. JOHNSON: I cannot understand how he could have failed to raise it.

Mr. Richardson: Well, he did not raise it.

Hon. W. D. JOHNSON: The hon. member may not have attended all his meetings. In all the literature distributed in the Subiaco constituency no subject was given greater prominence than that of State insurance.

Mr. Richardson: I did not see it.

Hon. W. D. JOHNSON: Perhaps the hon. member is preparing his defence of my contention that he avoided the question as much as he possibly could.

Mr. Richardson: I did not avoid the question. I have not been so long in politics as you to have reason to avoid a question.

Hon. W. D. JOHNSON: The hon. member avoided it to the extent that, though literature was put into practically every letter box in the constituency and his opponent was a strong advocate of State insurance, he himself refrained from saying much about it.

Hon. G. Taylor: He did not take your literature or your candidate seriously.

Hon. W. D. JOHNSON: Why was it that the member for Subiaco and many other Opposition members avoided the question of State insurance during the election campaign?

Mr. Richardson: Had it been a leading issue, I would have dealt with it.

Mr. SPEAKER: Order!

Hon. W. D. JOHNSON: Members of the Opposition knew that the less they said against the introduction of State insurance, the more votes they would obtain.

Mr. Richardson: Are you quite sure you made a speech on the subject?

Mr. SPEAKER: Order!

Hon. W. D. JOHNSON: Members opposite were not prepared to make an election issue of State insurance, but the Premier did make it a prominent issue in his policy.

Mr. Richardson: I am doubtful whether you mentioned it during your campaign.

Mr. SPEAKER: Order!

Hon. W. D. JOHNSON: I did not address a meeting without bringing it prominently before the people because I knew how popular the question was with them. I knew it was a question that would command the undivided attention of an audience. Immediately a speaker entered upon a discussion of State insurance, he was assured of an attentive hearing. I supported State insurance, not only because I was an enthusiastic advocate of it, but because I knew the people were anxious to hear the views of the candidates on the

subject. Wherever I spoke the people showed by encouraging interjections that they desired the State to do something to protect them against the monopoly that had been operating to their detriment.

Mr. Richardson: It is good to know that!

Mr. SPEAKER: I shall not again call the member for Subiaco to order without taking further action. I trust he will keep order while the debate is proceeding.

Mr. Richardson: I desire to apologise, but the member for Guildford has been trying to draw me out.

Hon. W. D. JOHNSON: During the election campaign State insurance occupied such a prominent place in the Premier's policy that it was marked out as an election issue. The Premier emphatically stated in my hearing on several occasions that he expected the people to regard State insurance as one of the main issues of the election, and that he was asking for a mandate for the introduction of State insurance on a comprehensive scale. He pointed out that last session a limited proposition for State insurance was introduced, but on this occasion he desired the support of the people for a comprehensive measure.

Hon. G. Taylor: Do you reckon the Premier got it?

Hon. W. D. JOHNSON: I am certain he got it. Referring to the contention raised particularly by the member for West Perth, we know the Premier has admitted how difficult it is after a general election to say that he has a definite mandate on any one issue. When a multiplicity of questions are raised covering a very wide policy, it is difficult to say definitely that on one issue the people have given an absolute mandate. The dominion-wide method of obtaining a definite declaration from the people on a particular issue is to introduce a measure dealing with the question just on the eve of a general election. The object is that the reform may be discussed by Parliament and brought prominently before the people by means of debate, and then, if it is defeated by the legislature, it may be made one of the issues of the general election. By such means Governments are able to claim that they have a mandate from the people. The only other way to get a mandate is by taking a referendum, but generally speaking the referendum is not resorted to in the British Dominions. There are countries where the referendum is extensively used to get a definite declaration

from the people on a specific question such as that which is now under discussion, but only in isolated instances is that method adopted in the Dominions. The general practice is for the Government to introduce a measure during the last session of Parliament, anticipating that the Parliament as then constituted would not pass it. Then they take it to the people at the next general election. By that time the question will have been prominently before the people and a psychology will have been created so that the question may be presented in such a way as to justify the Government in claiming, as the Premier has claimed, that the people have seriously considered the measure. The fact that Labour was returned to power by a majority—

Mr. Lindsay: Not of the electors.

The Minister for Mines: Yes, of the electors. The figures prove it.

Hon. W. D. JOHNSON: We need not discuss that point. The people knew that it rested with them whether the Labour Government should continue in office, and the Premier made it clear that, if he was returned to power, one of the first measures to be introduced would be a State insurance Bill. I do not wish to quote a lot of figures such as those with which the member for West Perth wearied us last night. They have no bearing on the question. The real question is whether the Government did make State insurance part of their policy, and whether as a result of their appeal to the people they were returned by a majority of the people and thus were directed to give effect to their policy.

Hon. G. Taylor: I do not believe that State insurance played any part at all in the election.

Hon. W. D. JOHNSON: I differ from the hon. member. I believe it was one of the most popular of the election cries that the Premier raised and that it appealed more to the people and was of more general interest than any other part of the Government's policy. We have to bear in mind that the Premier did introduce a Bill to provide for State insurance just previous to the general election. After the legislature had thrown out the Bill the Government decided to carry on State insurance, and made it a prominent issue of the election. In my opinion they carried on State insurance because they knew that within a limited time they would make an appeal to the people,

and they felt sure the people would support their policy.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. W. D. JOHNSON: Before tea I was explaining that the Premier claimed, and rightly in my opinion, to have a mandate from the people on this subject. I was explaining also that under ordinary political campaign conditions it is difficult for an Administration to claim that it has a special mandate on any one subject; but I pointed out that this is an exceptional case, based on a set of circumstances which justify the Premier in his contention. I was also pointing out that just prior to the last general election the hon. gentleman raised the question of State insurance by a definite Bill. That Bill was discussed pretty exhaustively in this Chamber, and brought forth a deal of outside criticism. The interested business people, the insurance companies, attacked the Bill through the columns of the Press; and there was a very fair public discussion, as fair as possible nowadays when we have only one morning paper. If we had two morning papers, political criticism in this State would be of a far healthier and broader kind than is possible with only one morning newspaper. But taking those circumstances into consideration there was, with the limitation under which the State, I may say, suffers to-day, a good discussion; and the people, through reading what was in the Press, were able to grasp that the Government had approached a question in which everyone was interested. In addition, when the Bill was under discussion and had evoked this public debate, it was also debated in another place; and naturally the insurance companies' point of view was advanced there in a more pronounced fashion than here. From a political point of view, it would not be healthy for members of this Chamber to be loud in their defence of private insurance companies. It is not the general practice of members of this Assembly, elected on adult suffrage, to take a very strong position regarding any activity which exploits the people even to a limited degree. But when there is an organisation such as exists among the insurance companies—I shall deal with it before I conclude—it is not customary, nor would it be healthy, for Assembly members to take up the cause of private enterprise organised on a basis such as that adopted by the insurance companies.

Those companies' views, however, were advanced in another place. The companies were able, as might be anticipated, to influence that Chamber to a greater extent than they could influence this House. The Legislative Council represents vested interests. That is the purpose for which its members are elected. Its franchise is restricted in order that the Chamber may be so constituted as to voice only the opinions of the section that is customarily entrenched in such a way as to be able to exploit the people. That is the purpose for which the Legislative Council is maintained, and in that lies its strength. Of course, if members of the Legislative Council had to appeal to the same constituency as members of this place, the politics of the other Chamber would be totally different. Everybody knows that. It is because the Council has a different political viewpoint that its franchise is restricted. The franchise is so devised that the limited point of view of vested interests may have special representation. That is the reason why the Council is maintained as it exists to-day.

Mr. E. B. Johnston: All political parties have representation in the Council.

Hon. W. D. JOHNSON: Of a limited kind. I will deal with the representation of the hon. member's party there, as well as that of the insurance companies, before I sit down. The Legislative Council, fulfilling its function, naturally voiced to a large degree the opinions of the private insurance companies, which of course were able to secure in that Chamber a majority against the Bill as introduced by the Government of the day. The measure was defeated. But—and this is a striking feature, one of the main features of the Premier's claim to a mandate—although the Bill was debated in this Chamber and passed by this Chamber, although the measure evoked a far greater amount of public comment than the average Bill, although it was freely discussed in another Chamber, during which time public opinion was again voiced through the columns of the Press, we found that when the measure had been defeated the Government took the extraordinary course, a course probably unique in Parliamentary practice, of continuing to carry on insurance business.

Hon. G. Taylor: They did not test the feeling of the country when the Bill was defeated.



Hon. W. D. JOHNSON: That is just the point I am coming to. The Government of the day adopted the truly extraordinary course of maintaining their insurance business in spite of the decision of another place. They did that in full consciousness of the fact that within the time during which the matter would not pass out of public knowledge and public thought, but would be well within the remembrance of the people, they would have to appeal direct to the people. I claim, and I challenge contradiction, that in no part of Australia, at no time in Australia, has an Administration ever taken the extraordinary stand of testing public opinion on a question in so direct and pronounced a manner as the Government of the day did on this occasion.

Hon. G. Taylor: Fiddlesticks!

Hon. W. D. JOHNSON: The hon. member says "Fiddlesticks."

Hon. G. Taylor: I am supporting the Bill.

Hon. W. D. JOHNSON: The hon. member has not spoken yet. Let him challenge my contention. I want him to cry fiddlesticks to the following facts: that portion of Parliament which represents vested interests defeated the Government's ambition, and the Government, in defiance of that defeat, continued to carry on insurance business, and did this right in anticipation of a general election, right in the face of an early appeal to the people. The Press of this country had a glorious opportunity then of maintaining the attitude which the "West Australian" has always maintained, of flaying the Government in the most pronounced fashion for refusing to recognise the direction of any section of Parliament. It is an almost inexplicable fact that although there was that extraordinary weapon ready to the hand of the journal which usually voices the opinions of hon. members opposite and of members of another place, the opportunity of exposing the Government's policy, the opportunity of flaying the Government for ignoring the Council's decision, the "West Australian" was almost silent on the subject. I am prepared to admit that articles dealing with it were published, and that to a limited extent the matter was brought before the public, but nothing as compared with what the paper's attitude would have been if the cry of State insurance had been less popular. The Press, however, knew, as hon. members opposite knew, that the Government had the people behind them. Hon. members opposite knew well that if they accepted the Premier's chal-

lenge to make State insurance the main issue at the general election and attempted to thwart his desire to obtain a mandate, they would be only strengthening the forces against the interests which they represented. Similarly, the "West Australian" knew that by adopting such a policy it would be strengthening the forces against members whom the paper was supporting. Just as the silence of the Press on this subject was pronounced as compared with the extraordinary political situation existing, Opposition members were likewise extraordinarily silent under the circumstances. I have said that in the many speeches I made during the election campaign I emphasised no question more than this of State insurance. I knew, as I have already stated, that it was a popular issue. I knew that the people wanted State insurance. I knew that the people were groaning under impossible economic conditions in this respect.

Hon. G. Taylor: That was your justification for advocating it—popularity!

Hon. W. D. JOHNSON: That may be so in the opinion of the hon. member, but I have never chased popularity to the extent the hon. member has. I have never sacrificed a political principle for popularity. When I have had the opportunity of placing my political principles prominently before the people, and having them popularly supported, I have never missed an opportunity of doing so, of advancing the political principles which I have maintained all my life. The hon. member interjecting knows full well my attitude on the subject of State enterprise and State interference with monopolies. The hon. member has been associated with me in my desire to protect the people against exploitation. I have often welcomed the hon. member's assistance to put into operation measures such as that we are trying to put into operation now. No man was ever more determined in his advocacy of claims of this description than was the hon. member during his early association with me in other circumstances.

Hon. G. Taylor: I advocated this principle when you opposed it.

Hon. W. D. JOHNSON: The hon. member is stating something that he knows is wrong.

Hon. G. Taylor: That is not so.

Hon. W. D. JOHNSON: The hon. member has never heard me in any circumstances opposing State enterprises.

Hon. G. Taylor: This is not a State enterprise.

Hon. W. D. JOHNSON: It may not be, and to that extent I will say it is a State activity. The hon. member knows that if I have one fault it is my consistent advocacy of State socialism. To-day he may claim that it is a fault, but there was a time when he applauded me for my advocacy and for my consistency. When we, who are two of the oldest members in this House, started our political career, we fought shoulder to shoulder on questions of this description and we were elected. Unfortunately for the hon. member, he has changed his opinions in that regard. I have never quite understood why he changed his opinions, but I rejoice to-day to have this opportunity of raising my voice on a question that we advocated together when we were associated 25 or 27 years ago.

Hon. G. Taylor: I am still representing the same people.

Hon. W. D. JOHNSON: Unfortunately the hon. member is not representing the same people. That, however, is by the way. I am advocating what I have fought for all my life, and we shall see how the hon. gentleman will act when the division bells ring.

Mr. Lindsay: Is that a threat?

Hon. G. Taylor: The member for Guildford knows what I will do. He knows I will do what I did before.

Hon. W. D. JOHNSON: Opposition members, like the Press, were remarkably silent in view of the political circumstances that existed at the time to which I have alluded. When the election took place, although I attended many political meetings addressed by opponents of the present Government, I did not hear any strong opposition to State insurance. The Leader of the Opposition visited my constituency but he did not make a feature of this question. He did not give me any material to work on. I endeavoured to get material from our political opponents so that I could vary my speeches. I was hoping to be able to take up the points raised by our opponents and so further prosecute the issue. I got no material at all. Strange to say, there was an opponent specially selected to contest the Guildford constituency, because it was claimed that he was one of the able men who stood for Parliament at the previous election. That individual never raised the question of State insurance at all.

The Minister for Lands: Not one of them did.

Hon. W. D. JOHNSON: At every meeting of my political opponents, I had special men detailed to make notes of the attitude of various speakers regarding State insurance. During the whole course of the campaign my principal opponent did not once mention that subject. We could not get him to raise his voice in regard to that question.

The Minister for Lands: But the insurance companies carried on an intensive campaign all the time.

Hon. W. D. JOHNSON: They may have done so. The Minister knows, however, that the insurance companies do not rely upon this Chamber for their support. They maintain their political connection with another place. The companies were not prepared to fight the issue on the basis of the Assembly rolls. We are justified in saying that the best and only effective appeal that can be made is to the people as represented by the members of this Chamber. We can make an appeal on the basis of adult suffrage. If we were able to claim that we had been elected, as hon. members in another Chamber have been elected, on a restricted franchise, the Premier would have a difficult task ahead of him to prove that he had received anything like a mandate from the people. But he did not appeal on the restricted franchise, yet it is on that franchise that the insurance companies depend for the continuation of their monopoly to the detriment of the people generally. The member for West Perth (Mr. Davy) contended that although this question was raised during the election campaign, it was not one upon which the people were really able to declare a policy because they did not understand it. I differ from that view entirely. I know of no question, with which I have been associated during my political career, that the people have been more interested in and could understand more easily than that of insurance. Every man and woman is directly concerned. There is scarcely a home in the State that is not connected in one way or another with insurance companies. The payment of insurance premiums represents a matter of regular concern to the people. It is useless to say the people are not interested and do not understand. It is a question that is to them the same as the bread and butter for the day. It is one in which all the people are interested and upon it a direct appeal was made to them during election time. My main reason for supporting the Bill is that I claim the people of

the State are called upon to carry an impossible economic burden. They cannot possibly carry it fairly and pay the premiums that are charged by the insurance companies. Of course hon. members have stated—no doubt it will be repeated on this occasion as well—that as we have sixty odd insurance companies operating to-day, competition must be so keen that the rates must be within reason. They say that competition is the lifeblood of trade, and that where we get competition we get good service and the charges, being subject to such keen competition, will be on the most economic basis. That, however, does not apply to insurance companies. As a matter of fact we know that premiums are not subject to competition at all. If they were, we would not be asked to carry the number of insurance companies that are in existence to-day. It is because there is a limitation placed upon the competition in that direction that people are asked to support such a multiplicity of companies.

Mr. E. B. Johnston: Rubbish!

Hon. W. D. JOHNSON: I have not finished with the point yet, and the hon. member will appreciate what I mean later on. If the 60 odd companies were in strict competition we would, no doubt, receive reasonable service, but the trend to-day is not to compete. Members sitting on the Opposition side, who are genuine farmers, know that what we are suffering from to-day is want of competition. We have organised to-day on a basis that enables us to meet combinations, not competition. If there were competition we would get good service and the greater the number of insurance companies the better it would be if there were open competition. The companies know they could not exist in competition and they have mutually arranged for their organisations to be established on a basis that will remove competition and protect their interests. The farmers have established an organisation that will look after their interests.

Mr. Lindsay: They deal with insurance matters as well.

Hon. W. D. JOHNSON: Which organisation?

Mr. Lindsay: The farmers' organisation.

Hon. W. D. JOHNSON: I will deal with that. The combination was for a very definite purpose and it was to prevent competition unfairly restricting returns. The great burden we have to carry arises not

only from the fact that the combination of insurance companies have fixed the rates to be charged, but from the fact that the rates of necessity must be on the basis of the weakest company. The rates are not based on the requirements of the best organised and influential companies, but upon the weaker and less firmly established concerns. Otherwise the latter would be in an unfair position, and would not be on an equitable competitive basis. Their very weakness and instability would prevent them from operating on the basis of charges that could be levied by the sounder organisations. Therefore, the underwriters in fixing the premiums, had to base them on the requirements of the weaker organisations and fix rates that must prove highly lucrative for the better organised institutions. By means of their honourable understanding, they are able to eliminate a good deal of the competition that would otherwise exist. There must be a basic rate to allow the less competent organisations to carry on successfully. While the premium rates are fixed on this basis, the fact must be evident that the public are unduly penalised. The only practical way—any number of authorities can be quoted in support of my contention—by which this difficulty can be overcome is that where a combination operates to the detriment of the people, it is the function of the Government to step in and protect the people. The authorities I refer to state definitely that it is a State function to create activities that will enable the State to protect its people against unfair combinations. We know that combinations that are in restraint of trade are illegal, but competition of the description I am discussing is perfectly legal, although it may operate against the best interests of the community. Therefore, immediately the insurance companies effect a combination that operates that way, it is a direct function of Government to protect the people against the effects of that move.

Mr. Brown: What about the wheat pool? Is that just the same?

Hon. W. D. JOHNSON: That is on a different basis altogether. The wheat pool was formed to give protection to the producers against exploitation. We simply formed a pool to protect ourselves against the multiplicity of agents who would draw fees and demand payments from us out of all proportion to the services they rendered. In one way it is somewhat on a similar basis,

but one is from the marketing point of view and the other is from the community point of view. Because of the detrimental effect upon the producers we combined in a co-operative association. We say that co-operation has failed to protect us in respect of insurance matters and therefore we must be protected by means of State interference or State activities. It is exactly the same in regard to marketing. We were protected by the State against the operations of the wheat purchasers. The State first of all formed a pool and operated it until it was competent for the farmers themselves from their experience to carry it on.

Mr. Thomson: That was a war measure.

Hon. W. D. JOHNSON: Yes, to start with, but it was carried on for some little time after the war. The fact remains that it was organised for the purpose of protecting the farmers against exploitation by the wheat merchants.

Mr. Thomson: It was the only way of facing the situation.

Hon. W. D. JOHNSON: And the only way to face the present situation is for the State to step in, just as it stepped in to protect the wheat producers from the merchants. The State must come to the protection of producers on the question of insurance.

Mr. Lindsay: The wheat growers of Western Australia said distinctly that they objected to Government pooling.

Hon. W. D. JOHNSON: Yes, when they were conscious of the fact that they were able to organise it on a co-operative basis for themselves. The hon. member knows well that the co-operative movement of today was assisted by me as Minister, so that the producers might become educated in marketing. I put it on a co-operative basis rather than a State basis.

Mr. Lindsay: I have not heard that before.

Hon. W. D. JOHNSON: You have heard others state the same thing. The original manager of the first pool. Mr. Stirling Taylor, has said publicly that he was assisted by me as Minister in the handling of the wheat in the early stages, and that I arranged it so that the co-operative movement in Western Australia would be educated in handling methods and eventually be able to take it over as a co-operative concern when the State activities were no longer required. When I was advocating the wheat pool originally and convincing the Eastern States

about it, I always laid it down that while during the war we might start the pool under State control, eventually it would have to be worked on a co-operative basis. That was my ambition from the very inception.

Mr. Thomson: Do you propose to get State insurance going on a co-operative basis eventually?

Hon. W. D. JOHNSON: The wheat pool started as a State activity, and when the farmers were sufficiently well educated they took it over on a co-operative basis.

Mr. Lindsay: When they realised that they did not want Government interference.

Hon. W. D. JOHNSON: When there was no further need for Government interference. That was my policy from the beginning. Where a community can be organised for mutual help, that is the State socialism I stand for. My State socialism does not lead me into State activities all the time. Co-operation is socialism.

Mr. Davy: It is the very antithesis of socialism.

Hon. W. D. JOHNSON: I have heard the hon. member make that ridiculous assertion more than once.

Mr. Davy: It is a ridiculous assertion that most economists agree with.

Hon. W. D. JOHNSON: But not most socialists. What is State socialism?

Mr. Davy: You said the compulsory dried fruits pool was socialism.

Hon. W. D. JOHNSON: Undoubtedly.

Mr. Davy: But your fellows did not agree with you.

Hon. W. D. JOHNSON: I am responsible only for my own opinions and utterances. Any organisation formed for mutual help is socialism.

Mr. Davy: No.

Hon. W. D. JOHNSON: Of course if the hon. member agreed with that, he would have to be a socialist. Because his political connection compels him to be an anti-socialist, he puts on socialism an interpretation that will justify his opposition. If he advocated the socialism I advocate, he would have to support it. But he puts up a bogey and then proceeds to fight it. I often admire him for his tenacity in that sort of thing. The hon. member understands socialism well enough, for he has had a liberal education, fitting him for the thorough understanding of such movements. But environment is greater than all political faith, and the hon. member's environment has compelled him to change his political faith. He

is like those people who put up the bogey of socialism and in order to make it a bogey, interpret it as something in the nature of communism and declare they are opposed to it. My socialistic faith is very pronounced.

Mr. Davy: Very indefinite.

Hon. W. D. JOHNSON: It is very definite that any community organised for mutual help is socialism.

Mr. Davy: Any community! You are shifting your ground now.

Hon. W. D. JOHNSON: The whole of the farming community of this State is more or less organised on a mutual help basis. Every co-operative organisation is formed for the definite purpose of mutual help. The Westralian Farmers, Ltd., is organised and its articles of association are positively on a mutual help basis, identical with the old Rochdale basis, which is well known in co-operation. The Rochdale co-operation is State socialism.

Mr. Davy: No, it is its antithesis.

Hon. W. D. JOHNSON: The old Rochdale pioneers advocated mutual help for the protection of their interests against exploitation. They bought a chest of tea and—

Mr. Davy: Is the Employers' Federation socialism?

Hon. W. D. JOHNSON: No.

Mr. Davy: Well, what is the difference? It is for mutual self help.

Hon. W. D. JOHNSON: No, they are not there for mutual self help but for mutual protection, and from a humane point of view they do the most unjust things imaginable. They have no humanity in their composition. When people are organised for mutual help it must be on a humanity basis. It cannot be on interests, like the Employers' Federation. They are combined to protect interests, not human beings. Co-operation is organised for the purpose of protecting the units that form for organisation, and the organisation is definitely associated with the main industry of this State. The farmers of this country are the units forming the organisation, and the farmers are combined for the purpose of mutually helping one another against exploitation.

Mr. Davy: Do they try to help me or anybody else who is not a farmer?

Hon. W. D. JOHNSON: They cannot, because their interests are farming. Take the Collie miners. They are organised for mutual help. They formed a co-operative

organisation and they do all that is necessary in the purchasing of the requirements of the mines. They have their organisation. It is for mutual help.

Mr. Davy: Is that socialism too?

Hon. W. D. JOHNSON: Of course it is. The miners as consumers are organised for mutual help and assistance in protecting each other against exploitation. The farmers are organised as producers for the purpose of mutual help and mutual protection against exploitation. It is exactly the same thing, and of course it is purely a phase of socialism.

Mr. Lindsay interjected.

Hon. W. D. JOHNSON: The hon. member is, but I happen to be associated just as actively with farming organisations as he is, and I am looking at it from a humanity point of view, while the hon. member looks at it from a broad acre point of view. His point of view is property, while mine is humanity. I can go to a farmers' conference or meeting and can advocate my opinion, based on the claims of humanity, and get the same support as the hon. member gets. But of course, like the other Chamber, entrenched as they are, the hon. member to-day is successfully operating on the basis of interests and broad acres. But his day will come. He is doomed as sure as the sun will rise, for no political party can flourish that limits its consideration to broad acres and interests. Its policy must be based on humanity before it can succeed. The hon. member's party has been floundering for years, making no progress or only such progress as it can make by combining for the exploiters, the people the co-operative movement is fighting every day and every week. These members claiming to be representing the farmers have behind them the commercial interests, the exploiters of the city, the big financial institutions, the colossal wheat merchants; all the big boodlers of this country are associated with them at election time in order that they might be returned. And then they claim to represent the farmers! It would be God help the farmers if they had not an organisation on this side that can take the humanity point of view instead of the broad acre point of view. However, I am getting a little off the track. At all events it has been interesting. When I was drawn off the course of my remarks, I was saying that the only way to deal with combinations that operate to the prejudice of the people is by State

insurance. It is true that in some circumstances the position might be met by co-operative effort. Where it can be done by co-operative effort I always advocate that method. I prefer co-operative effort to State effort. The dried fruit people tried to do it by co-operative effort, by mutual effort, but they failed because the forces against them were too great. They were operating under circumstances that made it impossible for the growers to protect their interests.

Mr. Lindsay: Are you in favour of a voluntary pool, as against a compulsory pool?

Hon. W. D. JOHNSON: No, I am in favour of co-operative pooling. I do not expect the hon. member to understand it, because he is in a different camp. I opposed voluntary pooling at the time the voluntary pool could not operate, but when we had had a measure of State pooling, I advocated co-operative pooling.

Hon. G. Taylor: What about pooling the insurance policies?

Hon. W. D. JOHNSON: It was not a question of getting a number of people voluntarily to combine for the purpose of marketing their wheat. That would not be organisation. The only way we could do it was to form a voluntary co-operative pool. Without the co-operative feature, it would be of no value at all. The hon. member does not understand it.

Mr. Lindsay: Of course only one member understands anything about that.

Hon. W. D. JOHNSON: There is a combination amongst the insurance companies. They are all in it.

Mr. Davy: The A.M.P.?

Hon. W. D. JOHNSON: I am not dealing with life insurance.

Mr. Davy: Is Lloyds in it?

Hon. W. D. JOHNSON: Lloyds do not operate in the State.

Mr. Davy: They do.

Hon. W. D. JOHNSON: Lloyd's is a combination that competes with the underwriters. What is the use of the hon. member trying to make out that Lloyd's is an ordinary insurance company. It is nothing of the kind.

Mr. Davy: It has an insurance office.

Hon. W. D. JOHNSON: It is a competitor of the Underwriters' Association and comes into direct competition with it. It operates in Western Australia only in a limited sense.

Mr. Davy: You said it did not operate.

Hon. W. D. JOHNSON: I said it did not operate as an insurance company.

Mr. Davy: It operates as an insurance office.

Hon. W. D. JOHNSON: It does not write one premium for the individuals of the State. It forms a combination, such as the underwriters form, for the purpose of the pooling of insurances so as to protect one company as against the other, and assist one company in conjunction with the other. In other words, Lloyd's is a form of underwriters' association, a combination strong enough financially to write the risks of companies, not of individuals.

Mr. Davy: Please be careful. There are members of the House who have their cars insured with Lloyd's.

Hon. W. D. JOHNSON: There may possibly be exceptions. I believe the Automobile Club has some special arrangements with Lloyd's. Strange to relate, that organisation has revolted against the private insurance companies.

Mr. Davy: No.

Hon. W. D. JOHNSON: It has.

Hon. G. Taylor: Another form of socialism!

Hon. W. D. JOHNSON: The motor car owners found, as the mining companies found, that the private insurance companies were operating under such a system that they were paying beyond what they thought was reasonable. Through their own organisation they formed a combination known as an insurance of cars, and they made an arrangement with Lloyd's, no doubt, to protect them in the event of a great number of claims coming in that were beyond their capacity to carry out. It would be interesting to know that one individual is directly insured with Lloyd's. I challenge the hon. member to produce one instance where a motor car is directly insured with that company.

Mr. Davy: I accept the challenge. I can produce scores.

Hon. W. D. JOHNSON: That is news to me.

Mr. Davy: I think I could probably produce hundreds.

Hon. W. D. JOHNSON: It has been understood during my connection with the insurance business, that Lloyd's was purely a combination which acted in the same capacity as underwriters in the way of protecting companies and not individuals.

Mr. Davy: You are quite wrong.

Hon. W. D. JOHNSON: In New Zealand they have a set of circumstances possibly

not as acute as we have in Western Australia. In no part of Australasia is the number of insurance companies operating in proportion to the population as great as is the case in Western Australia. There were sufficient operating in New Zealand many years ago to influence the Government of the day. They were so organised and combined that they were operating to the detriment of the people. The Government, which was not a Labour Government, decided that there was only one practical way to protect the people, and that was by the introduction of State insurance. The same thing applied in Victoria, where the Government, not a Labour Government, realised from the pressure of public opinion that private insurance companies were not extending fair consideration to the people. They, therefore, stepped in and protected them in the only practical way by establishing State insurance. As with Queensland, New Zealand and Victoria so do we propose to act in Western Australia, as the result of public pressure.

Hon. G. Taylor: Have some sense.

Hon. W. D. JOHNSON: I will prove that. For years past there have been agitations at various times in favour of State insurance. It is significant that one of the members for the North Province, Mr. Miles, when he arrived in the legislature fresh from his constituency, and when addressing the Legislative Council on 16th September, said—

If the insurance companies were brought to reason they could well put up the rates in the city by a few shillings, and reduce the back country rates by £1.

Hon. A. Sanderson: State insurance.

Hon. G. W. Miles: If this cannot be brought about I will be in favour of State insurance. We cannot be treated by these companies as we have been in the past, for if we are to develop this State we must consider the man in the back country.

Mr. Davy: He had rural complex then.

Hon. W. D. JOHNSON: Yes. He had come direct from the people. He was fresh from his constituency, was a business man, and had large interests in the North. He was groaning under the exploitation of private insurance companies as dictated by the Underwriters' Association. He came to Parliament and realised there was only one effective way and that was State insurance. If the private insurance companies would not be reasonable. They are not as reasonable to-day as they were in 1916. That is why he advocated State insurance. Mr. Miles' was not the only voice crying against

the conditions then prevailing. The farmers of the State from one end to the other were complaining about this exploitation. Conference after conference advocated that something should be done by the then existing organisations for their protection against this combination. I have attended numerous farmers' meetings. It is the business side of farming I am interested in, not the political side. I come into contact with farmers who are keenly interested in the welfare of the agricultural industry. The country storekeepers, and the country wheat jobbers, do not attend the meetings that I attend. I come into contact with the genuine farmer, the man who is operating the agricultural industry purely from the producer's point of view. After attending numerous conferences where resolution after resolution was carried, urging that the organisation might do something to protect the farmers against the insurance premiums they were then charged, I am glad to say that ultimately the organisation did respond to the call. I welcome the introduction of co-operative insurance. The Westralian Farmers, our central organisation, ultimately responded to the call of the organised farmers of the country, and decided to establish co-operative insurance. They have been operating for about seven years. The unfortunate part of it is that our organisation was not financially strong enough to carry the claims involved in the business they got, as the result of the formation of this form of insurance. The amount of business they had to write was out of all proportion to the capital of the co-operative movement. We were, therefore, compelled to join up with some organisation to enable us to carry the enormous risks.

Hon. G. Taylor: Another form of socialism.

Hon. W. D. JOHNSON: The member for West Perth smiles.

Mr. Davy: I do.

Hon. W. D. JOHNSON: He will smile on the other side of his face when I am finished. The organisation started out with the idea of protecting the farmers of the country against the insurance rates then being charged. They had been going some little time, when they were compelled to join the Underwriters' Association because of the economic pressure to which they were subjected.

Mr. Davy: Tell us why they were compelled, and how?

Hon. W. D. JOHNSON: It was because the Westralian Farmers, Limited, were not strong enough at the time to contribute the money necessary to carry the enormous business they were called upon to carry.

Hon. Sir James Mitchell: You could not get the reinsurances.

Hon. W. D. JOHNSON: There are certain forms of insurance which are not as lucrative as others. Workers' compensation is not as lucrative as life insurance, and is not as profitable as fire insurance. We found with our big connection such as insurances of crops against fire and hail, two of the biggest and most difficult risks to have, that the capital was insufficient to cope with the business. Being limited in that sense as to the amount of capital we had behind us, we were unable to expand to the extent that we desired, and to the extent necessary to protect the farmers. We, therefore, had to take the course, much against our will, of joining up with the Underwriters' Association, and being subject to their dictation and direction.

Mr. Davy: I do not follow that logic.

Hon. W. D. JOHNSON: The hon. member does not wish to.

Mr. Davy: That is very easily answered.

Hon. W. D. JOHNSON: I would welcome the hon. member's contribution. We want to see a way out. There may be a legal way out if not a logical way, and the hon. member may be able to find it. The co-operative movement has been functioning under these difficulties for about seven years. I attended the last annual meeting of the Westralian Farmers. The subject most keenly brought forward and debated was that of insurance. Farmer after farmer wanted to know how it was that the insurance premiums of the co-operative organisation were identical with those of the private companies. They wanted to know why they could not do certain things. The reply was that the organisation was not strong enough, limited as it was to producers in regard to capital as well as to business, to stand up to the combination, and that therefore it had been necessary to join the combination and remain subject to its dictation. The logical reply to it was this, that much as we preferred co-operative activities against State enterprise or State activities we found that co-operative activity in regard to insurance failed just the same as co-operative activity failed in regard to dried fruits. The combination is too strong against a limited organisation

Much as we preferred co-operative insurance we have had to admit, all of us, that it has not operated to the extent that we desired. In our desperation we went to the Government. We said definitely that the producers appreciated the fact that the co-operative movement could not stand up against the enormous pressure of 60 odd companies combined under the Underwriters' Association, combined and prepared to fight the co-operative organisation if it did not come in and remain subject to their dictation. Just as combinations are operating in other activities against the best interests of the people, the insurance companies are operating against the best interests of the producers. Although the producers are linked together to protect themselves they have failed because of their weakness. They now say it becomes the function of the Government to protect them against this organisation. I say definitely that is the producers' point of view. Hon. members opposite, like the member for Toodyay, will not realise that there is a business side as well as a political side. I am not influenced by the point of view of politicians who trade on getting votes from any source at all. My votes are those of the farmers who believe in co-operative effort.

Mr. Davy: How many farmers vote for you?

Hon. W. D. JOHNSON: I look at it from the human side rather than from the side of broad acres. Hon. members on this side cannot combine with the member for West Perth or the Leader of the Opposition and neither can they participate in the distribution of the funds controlled by the Consultative Council. We stand here to support co-operation. The farmers of this country, whose opinions I claim to voice—the genuine farmers, those producing the wealth of the country—are in favour of the State protecting them when other organisations fail to do so. I most emphatically declare that the farmers want to be protected against the organisation of the private insurance companies to-day and they look with the utmost interest to the passage of the Bill so as to get that measure of protection that has been promised to them. A Bill of this kind gives one the opportunity to show exactly where members opposite will stand. We know well that members opposite have a definite political faith, a faith that is not built on humanity but is built on vested interests.



Member: Built on the platform of the Primary Producers' Association.

Hon. W. D. JOHNSON: Of course it is built on broad acres. It is the human soul that produces the wealth of this country, but not the people the hon. member represents. He represents vested interests controlled by owners of large tracts of country.

Mr. Lindsay: That is all nonsense.

Hon. W. D. JOHNSON: It is not. Right through, the platform of hon. members opposite is based on vested interests. It is true that wheat belt farmers were used by the combination with which the hon. member is associated, but there is an awakening coming and those farmers will appreciate sooner or later that they must become a political force, that they must have a platform built on human considerations and not the consideration of vested interests. Then members opposite will appreciate that they cannot go on advocating their present platform. How on earth can they convince the farmers that there is any genuineness in them? How can they protect themselves when they are charged with being downright hypocrites, and when they say they are advocates of the platform prepared by the primary producers. They say, "We realise our political weakness and we will combine with our enemy in order that we might continue in our political positions."

Mr. Davy: Who are the enemies? Your constituents?

Hon. W. D. JOHNSON: Quite a number of my constituents are producers and they support me in my political views because I do not appeal to them on the question of the acreage they own.

Mr. Davy: Are all people who live in the town your enemies?

Hon. W. D. JOHNSON: Undoubtedly, if they are organised for the purpose of protecting themselves against you as well as against us.

Mr. Davy: You suggest that all people who live in the town are the enemies of the farmers?

Hon. W. D. JOHNSON: No; there are too many workers in the towns for me to say that. They have shown that by their political platform. All Labour Governments have shown their sympathy with the farmers, and practically all the reforms that the farmers in this country have had have come from Labour Governments.

Mr. Davy: Such as—?

Mr. North: On a point of order, Mr. Speaker, have the remarks of the hon. member anything to do with State insurance? Am I not justified in asking you whether the hon. member's arguments have anything to do with the Bill before us? The hon. member has been talking about political platforms for a considerable time.

Mr. SPEAKER: I am not sure that the hon. member's remarks have been relevant all the time and I will ask him to keep closer to the subject.

Hon. W. D. JOHNSON: I have been speaking from notes that I made while the member for Katanning was speaking earlier in the day. He is opposing the Bill as leader of the so-called farmers' party, and as a farmer myself I wish to seize this opportunity to expose the weakness of the hon. member from the State insurance point of view. It has been necessary for me to explain that the hon. member has not viewed the position from the farmers' point of view, but from the point of view of the insurance companies. The hon. member is not a farmer and I do not think he has any farming interests; he is interested in commercial concerns and all his environment is commercial.

Mr. Thomson: I am as much interested in farming as you are.

Hon. W. D. JOHNSON: The whole of my interests are farming interests. The hon. member has little or no interest in farming. I believe he is directly interested in the insurance business. In fact, I believe some of the hon. member's income is derived from his association with insurance companies. The member for Williams-Narrogin is another who would not claim that he has as much interest in farming as he has in other concerns. He, too, must try to throw dust in the eyes of the farmers, and I congratulate him on keeping going for so long and so successfully.

Mr. Davy: Now tackle the back row.

Hon. W. D. JOHNSON: The back row will wake up directly because they are genuine farmers.

Mr. Lindsay: St. George's-terrace farmers.

Hon. W. D. JOHNSON: No. The hon. member may be a St. George's-terrace farmer, because he may be interested in concerns other than farms. I do not happen to have the slightest interest in anything outside farming. The whole of my interests are in farming.

Mr. Thomson: Nothing but farming?

Hon. W. D. JOHNSON: Nothing but farming. Hon. members are under the impression that I am a paid official of the Labour movement. Let me tell members something of my association with the Labour movement. Whatever part I have played in connection with the Arbitration Court has been for nothing. I draw no fees at all for my activities in that direction. For some years, however—the past 10 or 12 years—I have had a small income from the district council at Midland Junction, and what I have received has amounted to £25 a year. Members opposite must get it out of their minds that I am working for a salary. The nominal sum I receive is paid merely for the purpose of making me a salaried official. The payment, however, is not of a kind that is usually associated with activities of that description. The member for West Perth will know that a salary has to be paid in order to comply with certain legal necessities. I might inform the House that the year before last I received an increase in my salary of £5. Before that I was receiving £20 per annum. I welcome this opportunity to make these remarks because I know I have been charged inside and outside the House with making a substantial income from the Labour movement. That is absolutely untrue. I have no income beyond that to which I have referred, and the little I derive from farming is the little that the insurance companies and other exploiters permit me to have. Hon. members opposite are not in the same position as I am in regard to reviewing this question. I claim to voice the opinions of the genuine farmers who realise that the co-operative movement is not sufficiently strong to protect them. They therefore look to the State for that measure of protection they require.

Mr. Thomson: What authority have you for that statement?

Hon. W. D. JOHNSON: I have attended meetings that the hon. member would be ashamed to attend because he would be looked upon as an exploiter rather than as a friend. The meetings to which I refer are those of the farmers' association and the co-operative movement.

The Premier: The genuine farmers.

Hon. W. D. JOHNSON: Yes, the genuine farmers, who are not farmers of the farmers, but those who farm the land. I am of the opinion that the hon. member farms the farmer better than I can farm the land.

The fact to which I wish to draw attention is that a little while back, during Show week, we had the annual meeting of the co-operative movement and not one of my friends opposite was present. A significant fact was that I was the only member of this Chamber present.

Mr. Lindsay: We attend to our duties in the House.

Hon. W. D. JOHNSON: I combine my duties here with the duty I owe to the farmers, and in regard to the meeting to which I have referred I considered that it was in the best interests of the State that I should be present. Let me repeat that at the meeting held during show week the main question discussed was that of insurance and the weakness of our organisation to protect farmers against the Underwriters' Association.

Mr. Thomson: Did they carry a resolution in favour of State insurance?

Hon. W. D. JOHNSON: No; they did not, but they were informed the Government were going to introduce a State Insurance Bill.

Mr. Lindsay: You informed them.

Hon. W. D. JOHNSON: I informed them that the State Insurance Bill would be introduced, and the general opinion was that through the combined efforts of the co-operative movement, plus the Labour Government's activity, we would ultimately get some measure of relief.

Mr. Lindsay: That was your view.

Hon. W. D. JOHNSON: Let me refer to the action of the member for Katanning in reading into this Bill the matter of a monopoly. There is not a clause in the Bill that suggests a monopoly, but the hon. member is capable of reading anything into a Bill. As a matter of fact he is capable of dragging everything into a speech. Members laugh. Even if I have followed the hon. member's example by being rather lengthy, I have been consistent in that I have not misrepresented the issue before the Chamber. The Bill is drafted and printed in plain English and there is not one word in it that indicates monopoly. The Bill seeks to give the State the right to enter the insurance business and to compete with the private companies. There is no provision whatever to create a monopoly.

Mr. Davy: You will admit there is one clause that will allow the Minister for Works to create a monopoly if he likes.

Hon. W. D. JOHNSON: The hon. member is referring to workers' compensation.

Mr. Davy: Yes.

Hon. W. D. JOHNSON: That is a special provision rendered necessary owing to certain legislation passed by Parliament. It was not specially inserted by the Premier or by the Government, except to carry out the direction given by Parliament.

Mr. Davy: Oh, no.

Hon. W. D. JOHNSON: The Government had to respond to the dictation of Parliament and make provision for workers' compensation. The member for Katanning, after reading monopoly into the Bill, stated that after all we were carrying out our platform, as we were in favour of the nationalisation of industry. That is not so.

Mr. Thomson: That is your platform, anyhow.

Hon. W. D. JOHNSON: It is not the Labour platform, and never has been.

Mr. Thomson: But it is.

Hon. W. D. JOHNSON: The Labour movement has never declared for the nationalisation of industry.

Mr. Davy: Then tell us what your objective is.

Hon. W. D. JOHNSON: The member for West Perth has been plying me with many questions and I have been replying to them and educating him to a limited extent, but I do not propose to continue that. The hon. member became hilarious just now because I spoke of a lengthy speech.

Mr. Davy: No; it was because you were not keeping to the subject.

Hon. W. D. JOHNSON: Let me tell the hon. member he does not need any educating on this question. He knows perfectly well that the Labour movement has never declared for nationalisation.

Mr. Thomson: Its objective is the nationalisation of industry.

Hon. W. D. JOHNSON: It has never declared for the nationalisation of industry; it has declared for the nationalisation of monopolies.

Mr. North: What about the nationalisation of production, distribution, and exchange?

Hon. W. D. JOHNSON: The greatest advocate of the nationalisation of monopolies and probably the man who put up the ablest speeches in support of that policy was Senator Sir George Pearce. He travelled from one end of Australia to another advocating that the Commonwealth Government should have power to nationalise certain industries and he gave his reasons. The reasons were that those industries were

operating to the detriment of the people of Australia. The Labour movement certainly agrees that, where a monopoly exists, nationalisation should follow.

Mr. Thomson: Monopoly does not exist in the insurance business.

Hon. W. D. JOHNSON: It does. The companies have combined in such a way that they can exploit the people by extracting from them premiums out of all proportion to the risks they take. Therefore, the Labour movement through its platform responds to the needs of the people and says that insurance is a State function and a State obligation. We advocate State insurance, but we do not advocate and never did advocate the nationalisation of industry. The member for Katanning complained that the State would be able to function more cheaply than the private companies because it had buildings that could be used for office accommodation and a certain organisation that could be availed of. When did it become a crime for the Government to use their buildings, organisation, and activities in the interests of the people? Why should not the farmers and other people in this country receive the protection proposed in this Bill if it is possible for the Government to provide the service cheaper than the private companies can provide it? When did that become a crime? Where is the consistency of the hon. member? As a matter of fact we do not expect consistency from the hon. member. According to him it is wrong for us to use State organisation and State buildings to protect the farmers against excessive insurance premiums, but is it quite right to exploit the railways for cheap railway freights. The hon. member never makes a speech without claiming that the railway freights should be reduced, that the State should use its power and organisation to give relief by way of reduced railway freights to the producers. When it comes to a question of giving them cheap insurance premiums, the hon. member cries out about something else. Why does he differ in his attitude to cheap railway freights as compared with his attitude to State insurance? To provide cheap railway freights involves purely a State activity and the people of the State have to carry the burden. When it is a question of the people carrying the burden, the hon. member says, "Put it on to the people." When we propose to do something to protect the people against the exploitation of private insurance companies the hon. member appeals to the House to protect the

private companies and allow them to continue to exploit the producers.

Hon. G. Taylor: That's the stuff to give them!

Hon. W. D. JOHNSON: The member for Katanning is not voicing the opinion of the farmers. We want all the protection we can get; we want the protection proposed in this Bill. We want reasonable insurance premiums to assist us in our work of increasing production from the soil. We have been crying out for this assistance. We have tried to protect ourselves. We have had seven years of co-operative insurance during which we have tried to protect ourselves and have failed. Having failed to protect ourselves against the organisation that is assisting to cripple the farmers of this State and making the burden impossible for them to carry, we ask Parliament to pass this Bill to enable the Government to carry out a true function of government, assist those who are oppressed and help them against the insurance companies that have been exploiting them altogether too long.

On motion by Mr. Brown, debate adjourned.

## ANNUAL ESTIMATES, 1927-28.

### *In Committee of Supply.*

Resumed from the 27th October; Mr. Lutey in the Chair.

*Department of Mines (Hon. S. W. Munsie, Minister).*

*Vote—Mines, £86,049:*

**THE MINISTER FOR MINES** (Hon. S. W. Munsie—Hannans) [8.55]: It was rather unfortunate for me to have received the portfolio of Minister for Mines at a period when mining was certainly experiencing a depression. While that is so, I am not one of those who believe mining in this State has reached the end of its existence. The mining industry is certainly looking much brighter than it was 12 months ago.

Hon. Sir James Mitchell: The production is no greater.

The MINISTER FOR MINES: Probably the production is no greater, but there are prospects of its being considerably greater in the near future. I applaud and am pleased to recognise the wonderful strides that agriculture has made and the benefit it has proved to the State. I have nothing

to say against the assistance that is granted to develop the agricultural industry, but I point out that what the agricultural industry is to-day, goldmining was in a greater degree years ago, and it has done more for the State so far than agriculture has done. To the end of December of last year the State produced 37,009,207 ounces of gold of a value of £157,205,119. The dividends paid to the end of December last by goldmining companies operating in the State amounted to £28,622,180, or a little over 18 per cent. of the total gold won. In the peak year of production, 1903, the gold yield was worth £9,000,000, whereas in 1926 it had declined to £1,857,715. During the expired portion of the present year, the output has been considerably less than the output for the same period of last year. But that is accounted for largely by the great falling-off in the first four or five months of this year. The actual returns for last October were £6,000 greater than the returns for October of the previous year, and we are about maintaining that higher level, so that at the end of the current year we should just about have equalled last year's production. It is advisable to draw hon. members' attention to some of the smaller as well as some of the larger discoveries which have been made in Western Australia during the past 12 months. At Coolgardie early in the year from prospecting area 1933, 7¾ tons treated produced 56 ounces of gold; from prospecting area 1142, 16¾ tons treated produced 47 ounces; and from prospecting area 1155, 15 tons produced 34½ ounces. At Paynesville some stone from a rich find produced 233 fine ounces by dollying. Twenty tons of stone treated at the Sardstone battery yielded 70 ounces by amalgamation, with 2 oz. 10 dwts. per ton in the sands. At Mount Magnet the Saturn lease yielded 207 ounces from 162 tons of ore treated.

Hon. Sir James Mitchell: Is the show still working?

The MINISTER FOR MINES: Each of these propositions is still working. The Poverty Pot lease treated 20 tons of ore for 360 ounces; the Broken Bond lease 140 tons for 423 ounces; the Christmas Gift 13 tons for 203 ounces. These last are all at Mount Magnet. At Wiluna the Brilliant North—not the Wiluna Gold Mines—treated 153 tons for 460 ounces of gold. At Meekatharra the Marmont Extended treated 65 tons for a return of 2 ounces per ton by amalgamation, with 3 oz. 12 dwts. in the sands. Golden

Valley to the end of August last year treated 502 tons for 1,230 ounces of gold. At Hollowton, or Glenelg, the Glenelg Queen lease has treated 72 tons for 170 ounces, and is showing rich stone of up to 7 and 8 ounces per ton. The Hollows Reward lease has treated stone up to 8 ounces per ton. I visited the field quite recently. Having some practical knowledge of mining, I am hopeful that Western Australia will secure at least three decently good mines there. The difficulty, of course, is the supply of water to the battery. The Water Supply Department have put in a tank for household use, and when this is filled ample water will be available for domestic purposes; but unfortunately a local supply has not yet been discovered. In many cases it is not possible, and frequently it is not economically wise when it is possible, to transport ore over long distances. The cost involved is too great, and creates economic loss. If it is possible to locate a water supply on the field in question, there will be no difficulty in securing crushing facilities. I do not positively say the State will erect a battery; but if necessary that will be done. One of the local companies has purchased a battery, though it will not be transported to the mine until a water supply is assured. In going over the field I was more than pleased with the prospects of some of the shows. I do not give away any secret in mentioning that I picked a sample of ore from the Great Beacon. I picked it, not from the face below, but from the dump on top. Part of the stone I picked was broken off and dollied to show me the result while I was on the spot. The remainder of that piece of stone, with two other pieces from the dump, I brought to Perth and got them assayed by the Government assayer for my own information. I estimated the sample of stone dollied to be equal to 5 ounces per ton. The departmental assay shows the following results:—gold, 4 ozs. 15 dwts. 18 grs. per ton; silver, 28 ozs. 4 dwts. 12 grs. per ton. If there is any considerable quantity of such stone, there is a mine, even without the gold, equal to many of the gold mines now working in this State, by reason of the value of the silver alone.

Hon. Sir James Mitchell: That is all right.

The MINISTER FOR MINES: I do not say the returns I quote are going to be the average returns of the mine by any manner of means. However, the returns are those from the sample

of stone I got and had assayed for my own information. While many people are in the habit of decrying Western Australian mining and term it a dead and gone industry, there has been in the Press for the last three or four months a fairly continuous succession of reports of wonderful finds in New Guinea: the Papuan fields are being boomed as something wonderful from a gold production point of view. That is quite all right, and I have no intention of decrying New Guinea mines; but Western Australia to-day is producing 68 per cent. of the gold yield of Australasia, inclusive of New Zealand and Papua. Our mining industry, therefore, is not so dead as some people seem to think. The gold got on the Papuan fields, moreover, has been got mainly by Australian prospectors. As regards Wiluna, experiments with a view to reducing costs are still in progress.

Hon. Sir James Mitchell: Have you got that report?

The MINISTER FOR MINES: It has been submitted, but unfortunately it is not yet printed. Immediately it has been printed, it will be presented to hon. members. It should be available to-morrow, or else early next week. The report in question, that of the State Mining Engineer, is very favourable as to the prospects of Wiluna.

Hon. Sir James Mitchell: Will you construct the railway this year?

The Premier: If it is to go at all, it will have to go early.

The MINISTER FOR MINES: Never in the history of this State, not even at the time of the discovery of Kalgoorlie, was a railway to a mining field more justified than is a railway to Wiluna to-day. In my opinion Wiluna will give the Western Australian mining industry that revival of which it has stood in need for many years. Experiments are being made at Wiluna in methods of treatment, as to oil flotation, roasting, and an electric process. The object is to ascertain which is the best from the aspects of extraction and cheapness of treatment. At present the oil flotation process is not being used. The head of the oil flotation company has visited Wiluna; he was there at the same time as I. He spent a fortnight there to discover why the anticipated extraction was not obtained. He did make a discovery, but whether he will be able to overcome the trouble remains to be seen. His contention, I believe, was that the value in the residues was going away in the

pyrites. An extraction of almost 98 per cent. was being obtained from ordinary ore, he contended, but the values being lost were lost in the pyrites. He discovered that the oil was not affecting the pyrites as it affected gold contained in ore. I am assured, however, by both the State Mining Engineer and the manager of the mine that even if oil flotation cannot be made successful, there is at least 7s. per ton profit with ordinary dry crushing, concentrating and roasting.

Hon. Sir James Mitchell: How is the fuel supply at Wiluna?

The MINISTER FOR MINES: I asked that question, and the mine manager assured me that even with the comparative scarcity of fuel, and the distance it has to be conveyed, he estimates that profit per ton. One company, in fact, has over a million tons of ore at present developed, the value being 40s. per ton. That is a wonderful proposition. Western Australia has had many mines richer by far than those at Wiluna; but this State has never had, nor has Australia ever known, any discovery of such uniformity in values and of such length of values as already developed at Wiluna, which is not at the end of development either north or south. The mines have driven over 1,400 feet. At the deepest level the assay values on the average are slightly above those at the higher levels. Another pleasing feature of Wiluna is what I may term the magnificent company who have got possession of the mine. The company are not afraid to spend money. Up to date they have spent in development of the mine, and on experiments, in the vicinity of £176,000. They are prepared to put in further huge sums. Certainly they expect the Government, if the State Mining Engineer's report warrants this, to furnish them with railway communication.

Hon. Sir James Mitchell: Of course that was promised.

The MINISTER FOR MINES: Without railway communication the difficulty of making the mine a paying proposition would be very great indeed. I believe that it will pay the State to build the railway, and that the railway will be a paying proposition from the day of its opening. Immense quantities of machinery will have to be transported to Wiluna, and when the company get going at the standard at which they anticipate working their mine, Wiluna will: I feel certain, have a population of between 4,000 and 5,000.

Hon. G. Taylor: There will be a good solid Labour vote at Wiluna.

The MINISTER FOR MINES: Yes, such as will make the seat of the member for Murchison (Mr. Marshall) perfectly safe. His seat will not come out in the event of a redistribution. Hon. members may wish to know what the Government's intentions are regarding the money made available for the assistance of the goldmining industry as the result of the Federal disabilities grant. That question has not yet been decided. Negotiations are still proceeding regarding the suggested amalgamation of companies. That move was advocated both by the Royal Commissioner, Mr. Kingsley Thomas, and by the technical committee appointed by the Federal Migration and Development Commission. The members of that body visited Gwalia and other places in pursuit of their inquiries.

Mr. Griffiths: Are their recommendations known yet?

The MINISTER FOR MINES: Unfortunately for the State they are known too well. The Federal committee came here and made all kinds of inquiries, the effect of which was to delay any anticipations the State Government may have had regarding a definite proposal for the expenditure of that money to assist mining. The appointment of that technical committee delayed matters for at least 12 months, because everyone interested in mining, whether workmen, managers or mine owners, believed that, as a result of the technical committee's inquiries, recommendations they would make through the Migration and Development Commission to the Commonwealth Government would result in assistance being forthcoming to place mining here on a sound footing. The recommendations were furnished, but those concerned have made it very plain and definite—if they did not, the Prime Minister did—that the Commonwealth Government will not pay a penny piece towards that work. I am still hopeful that the mining industry of Western Australia may derive some benefit from the reports of either the technical committee or of the commission itself. As to actual cash, however, I am not looking forward to the receipt of a single penny, because I know we will not get it. For a considerable time past I have been making every endeavour to get the companies to arrive at an agreement and I have kept the Migration and Development

Commission advised of every step that has been taken.

Hon. Sir James Mitchell: What about the power scheme?

The MINISTER FOR MINES: In my opinion that is finished. I do not think that scheme would have been of any use. For less money than was offered to the mining industry at Kalgoorlie, I believe one of the mines could establish a plant and produce the necessary power for considerably less than the assistance it was suggested we should grant to the power company to enable that concern to supply the current. I do not think that scheme will proceed any further. The Gwalia mine is producing power at much less cost than that estimated under the scheme proposed to supply power to the Kalgoorlie mines by the power company. On that point the staff of the Horseshoe Company and others interested in mining at Kalgoorlie have been experimenting for some considerable time at the Horseshoe and at other mines in connection with a new method of ore treatment. The State Mining Engineer is exceptionally optimistic regarding the results of the new treatment, and I hope it will prove satisfactory. The tests so far have been confined to seven or eight small samples averaging 12 or 12½ tons of ore from the Kalgoorlie lode. As a result of the treatment an average extraction of 92 per cent. was secured. Under that method it is anticipated that the mines will be saved at least 4s. per ton in treatment costs. Should it be proved that the method can be adopted economically on a big scale, it will mean extended life over many years for Kalgoorlie and Boulder, and that many millions of tons of ore will be treated profitably whereas to-day that is impossible. There is a good deal to be said for the experiments that are being made, and I regret that they were not made many years ago.

Hon. Sir James Mitchell: The companies are doing it themselves. I suppose they would have done it years ago had they thought of it.

The MINISTER FOR MINES: Almost the same method was tried in Kalgoorlie 12 or 13 years ago. The metallurgists of those days had not the knowledge that is possessed by the officials to-day. At that time the process was turned down, all concerned in Kalgoorlie regarding it as unworkable and unprofitable. However, as the result of the experiments that are being

made I hope that the new method will prove successful. Regarding the Gwalia mine the Government should do everything possible to prolong its life. The company are employing upwards of 240 men. Quite apart from the geological aspect, reports received from the State Mining Engineer, from the Royal Commissioner, Mr. Kingsley Thomas, and by Dr. Wainwright, who went to Gwalia specially for the purpose of examining the mine, all coincided. They set out that with further development it was possible for the mine to be profitably worked for at least 10 or 15 years. It would be deplorable if such a mine were allowed to be closed and a community of between 500 and 600 souls left stranded. At the same time it must be understood that neither the Gwalia company or any other company can get the assistance they should receive, if the attitude to be adopted is that pursued by the chairman of the board of directors in London.

Hon. Sir James Mitchell: Did he not take off his hat?

The MINISTER FOR MINES: Nothing of the kind. He said that he had issued instructions that the plant was to be salvaged and the mine closed down, and added that the Commonwealth and State Governments and the trade unions of Australia were responsible for the closing down.

The Premier: He would not take a loan; he wanted a gift.

The MINISTER FOR MINES: He will get no gift while I am Minister for Mines.

Hon. Sir James Mitchell: Good!

The Premier: These free grants must cease!

The MINISTER FOR MINES: I will not discuss the details of the offer made to the chairman of directors of the Gwalia Company. I replied to his statements in the Press, and I know that it was cabled to London and the report appeared in the "Mining Journal" subsequently. I am pleased to be able to inform members of the Committee that other directors of the company did not adopt the same attitude as the chairman. The result is that I am still negotiating with them and I am hopeful that a reasonable attitude will be adopted and that we shall be able to save the mine. However, the chairman of directors will not make the present Government do just as he thinks fit. An amount of £72,000 is involved and he says that a

fair proportion of that has to be spent on the purchase of new plant. He is not even prepared to give the Government any security over that plant. He contends that the £72,000 must be an absolute gift, irrespective of returns from the mines or profits that may be made in the future. Any man who adopts such an attitude with me will get nothing.

Mr. Davy: You do not expect us to disagree with you on that point?

The MINISTER FOR MINES: I think the hon. member will agree with me and I believe 98 per cent. of the people would do so as well.

Mr. Davy: Why not 100 per cent.?

The MINISTER FOR MINES: There may be a few who would not agree with me. I do not wish to be dogmatic, but I believe that if I could get the directors of the company around a table in Perth, I would soon convince them and Mr. Moreing as well that a wrong attitude had been adopted.

Mr. Davy: At any rate you would convince the chairman that his attitude was hopeless.

Hon. Sir James Mitchell: I should think so. The Minister has no right to make a free gift of the State's money.

The MINISTER FOR MINES: I should say so. There will be no gift from me. As is well known, goldmining has been declining for years past, but gold is not the only mineral produced in Western Australia. The total mineral production to the end of September last was valued at £167,924,415. Coal, the second greatest mineral product, was produced to the end of August last having a value of £5,196,619. The coal production during last year was valued at £394,000. Copper and tin constitute our next most important minerals. The total copper produced to the end of August last was valued at £1,805,123. There was no production of copper last year owing to the slump in prices. Our total tin production up to the 30th August last was valued at £1,556,376. In 1926 67 tons of tin were produced, the value being £10,450. To the end of August, the production of tin this year was valued at £10,575. Tantalite is one of the rare metals that is widely distributed throughout the State. Records show that Western Australia produces nine-tenths of the present world supplies of tantalite. The production is not very large, but the total value to the end of 1926 amounted to £25,541. To the end of August of this year

tantalite valued at £2,003 had been produced. In August last Dr. Simpson, the Government Mineralogist, made a flying trip to the North to inspect the tin and tantalite fields. I am hopeful from the report I have received from him since he returned that greater production will follow.

Hon. Sir James Mitchell: You have plenty of reports.

The MINISTER FOR MINES: We have more than reports; we have the valuable minerals as well. In regard to manganese, members will have seen that the railway from Meekatharra is just about completed. The total value of manganese exported was only £1,015, whereas last year it was £5,003. Of course that will increase considerably when the railway comes into operation. I want to pay a tribute to the member for Coolgardie (Mr. Lambert), who has been almost wholly responsible for the export of gypsum from Western Australia.

Mr. E. B. Johnston: And of manganese, too.

The MINISTER FOR MINES: No; other manganese deposits were being worked before the hon. member set about working his. Up to date 11,912 tons of gypsum valued at £15,652 have been reported from our local sources. Last year there were 3,918 tons valued at £5,618. The company in which Mr. Lambert is interested is now building a factory at Yellowdine, and I believe the increase in the use of that material will be more than doubled in the near future. Another bright prospect is in respect of our iron deposits. Most members know something of the deposits that were sold by the ex-member for Claremont, Mr. Joek Thomson, to the Queensland Government. Quite recently Messrs. Hoskins, Ltd., repurchased that deposit from the Queensland Government. The head of that firm called to see me when on his way to England a little while ago, and from the conversation I had with him I am satisfied that at last we are going to have something done with our iron deposits at Yampi Sound.

Hon. Sir James Mitchell: It will have to be sent away to be smelted, of course.

The MINISTER FOR MINES: Even so, that will be doing something with those vast deposits.

Mr. E. B. Johnston: Will the labour conditions be enforced up there?

The MINISTER FOR MINES: They are not being enforced at present, but I can assure the hon. member and the two companies that they are never going to de-



velop those iron deposits by simply holding them under exemption. Moreover, they are not going to get very much more exemption, either. I might also say that from tests made—I was pleased the other night to see it demonstrated at the University—it has been proved beyond all doubt that at Lake Gnangara, near Wanneroo, we have the best quality sand for glass making in the world. Ample tests have been made in Belgium and in France. Belgium is recognised the world over as having the best and purest sand for glass making. They have had fairly large quantities of the sand from the lake at Wanneroo tested and I am assured that it is superior to the best of the Belgian sand. So, even if gold mining is on the decline, Western Australia has possibilities of recovering some of her lost laurels through other minerals. The Commonwealth Marketing Board has been responsible for negotiations and has put up part of the cost for a geophysical survey of Australia. They have an expert coming over from South Africa, and he is due to arrive shortly. If there is anything to be gained from such a survey I believe that Western Australia has a greater possibility of benefiting from it than has any of the other States. The amount of assistance rendered under the Mines Development Act of 1902 up to the end of September this year has been £769,895. It has been expended as follows:—Loans, £67,909; subsidies to batteries to treat prospectors' ore, £720; assisting prospecting, £20,001; rebates on water supplied to mines, £150,818; other items, £530,445. These include advances in aid of mining work and equipment, boring, water supplies, rebates to prospectors on low grade ores, investigations, etc. I am not going to delay the House any longer in regard to the prospects of what might happen to mining in Western Australia, but there is another side about which I want to say a word or two. Probably I shall be able to give some information to any member inquiring about State batteries, when we come to items. The matter I want to deal with now is what might be termed the sad side of mining, in other words, the conditions prevailing under the Miners' Phthisis Act. The member for Katanning (Mr. Thomson) when speaking to-night complained that the Government were responsible for the passage of an Act that compelled people to be withdrawn from mining, and that the load was being put on the insurance companies. I interjected

that that was not so. I want to emphasise that. Not one penny piece has been paid by the State Insurance Office, or any other insurance office, in respect of the men compulsorily withdrawn under the Miners' Phthisis Act.

Hon. Sir James Mitchell: The Act was passed before your time.

The MINISTER FOR MINES: Yes, but it was not put into operation until we came into office and amended it. There have been two complete examinations throughout Western Australia under the Miners' Phthisis Act. Those examinations were carried out by the laboratory at Kalgoorlie and of course by the travelling laboratory. In 1925-26 the total number of men examined was 4,017. The results were as follows:—There were found to be suffering from miners' phthisis in its early stages 459 men, or 11.4 per cent.; in its advanced stages, 183 men, or 4.6 per cent.; miners' phthisis plus tuberculosis, 131 men, or 3.3 per cent.; tuberculosis only, 9 men, or 2 per cent.; normals, 3,235, or 80.5 per cent. Coming to the second examination, we have still to get the figures for 147 men at Southern Cross. They should be examined within a few weeks now. At the second examination 3,397 men were dealt with. There were found to be suffering from miners' phthisis in its early stage 338 men or 10 per cent.; in its advanced stages, 88 men, or 2.6 per cent.; phthisis plus tuberculosis, 121 men, or 3.6 per cent.; tuberculosis only, eight men, or 2 per cent.; normals 2,840, or 83.6 per cent.

Hon. Sir James Mitchell: Some of those are the same men over again.

The MINISTER FOR MINES: Not the tubercular cases; they are all fresh men. As the result of this examination there is only one thing I can look forward to with any degree of comfort at all. It is the theory that the first examination could not have been a very complete one. It was reported to the department that the first examination revealed 131 men with miners' phthisis plus tuberculosis and nine men with tuberculosis, or a total of 140. Under the second examination it is found that there are still 129 affected by T.B., or only 11 less than the total given by the first examination. If the first examination was complete, and the results from the second one are correct, then it would pay us to close down mining to-morrow. It shows a deplorable state of affairs. Of the 129 men

who were reported this year to be suffering from T.B., 87 were prohibited from employment, 13 were not within the provisions of the Act, three cannot now be located, and 26 cases are being investigated. Although the laboratory carries out the examination, the department of course has to investigate these cases to find out exactly what the position is. Of the 87 men prohibited from employment, 36 were reported by the doctors to be fit for ordinary work, three for light work, 40 are permanently incapacitated, two deceased, and six are pending examination as to their fitness for employment. When the information was compiled there were six men awaiting Dr. Mitchell's visit and decision as to the employment, if any, that they can follow.

Hon. G. Taylor: What form of examination does he conduct?

The MINISTER FOR MINES: He strips the men, examines them thoroughly and questions them to ascertain what class of employment, if any, they are capable of following.

Mr. Sampson: Is not there an X-ray examination?

The MINISTER FOR MINES: Yes, that is the first examination that supplies us with the information. Since the inception of the 1925-26 examinations to date, 44 of the unfortunate men reported to be suffering from tuberculosis have died.

Hon. G. Taylor: They must have been in a pretty advanced stage.

The MINISTER FOR MINES: Yes.

Hon. G. Taylor: Have you any idea of their ages?

The MINISTER FOR MINES: I can obtain that information if the hon. member so desires. Those certified as being totally incapacitated number 99; 72 are fit for ordinary work, and 4 for light work. Of the 72 fit for ordinary work, 16 have wages jobs and are not compensable for the time being; 14 are employed at Crawley, 15 at the Zoological Gardens, 7 on eradicating noxious weeds on the goldfields, 18 on prospecting, four have been assisted in the establishment of poultry farms, and two are temporarily ill. I might mention that the first year's figures included eight who were found to be not within the scope of the Act. Let me explain the conditions applying to the men engaged in prospecting. They are paid half-wages rate with £1 a week for the wife and 8s. 6d. for

each child under 16, but the maximum must not exceed £4 per week. There are 18 of those men.

Hon. G. Taylor: Those are the tuberculous cases.

The MINISTER FOR MINES: Yes. Dr. Mitchell has certified that they are capable of doing the work. The men employed at Crawley and on weed eradication are paid from the miners' phthisis vote.

Hon. Sir James Mitchell: Where are the men engaged on weed eradication working?

The MINISTER FOR MINES: Between Kalgoolie and Kanowna.

Hon. Sir James Mitchell: What weed are they eradicating?

The MINISTER FOR MINES: Bathurst burr and star thistle.

Mr. Thomson: Has that weed reached the goldfields?

The MINISTER FOR MINES: Yes; there are seven men employed to eradicate it.

Hon. G. Taylor: Where did it come from?

Mr. C. P. Wansbrough: It was brought over by some South Australian horses.

The MINISTER FOR MINES: It is believed to have been brought over by imported stock. The dependants of the incapacitated and deceased men number 193, consisting of 56 wives, 23 widows and 11 children. The total amount of compensation paid under the Act to the 30th June last was £25,625 12s. 8d. The estimated expenditure for this year is £37,177. Incidentals and administrative costs for the first period totalled £3,443 and the estimated expenditure for this year is £1,285.

Hon. Sir James Mitchell: Quite high enough, too, I should think.

The MINISTER FOR MINES: The land settlement policy for dusted miners has been put into operation at Southern Cross. Some of the men are already there. There are 11 blocks available for the silicotic men and the scheme is under the Agricultural Bank. Arrangements have been made with the Commonwealth Government for a continuance of the examinations next year.

HON. SIR JAMES MITCHELL (Norham) [9.51]: I wish I could borrow the Minister's notes in order that I might be in a better position to discuss the figures. I do not know of any Minister who needs advice so badly as does the Minister for Mines. We have to advise him how to treat the people with whom he is negotiating. If he

could remember the old Irish saying, "Easy does it," he would have a much more comfortable time. The concluding remarks of the Minister will make very sad reading.

The Minister for Mines: No doubt of that.

Hon. Sir JAMES MITCHELL: If the first examination was carefully conducted—I cannot believe that it was—and if the figures for the next examination are correct, if all that awfulness has happened in such a short time, the sooner mining goes by the board the better. It is not fair to waste lives at that rate. It is not worth while sacrificing lives in that way to keep the industry going.

Mr. Heron: We used to be told that we were exaggerating when we mentioned the facts.

Hon. Sir JAMES MITCHELL: I am certain no one ever told the people such a tale as has been revealed by the later examination. The first one of course gave the results of the accumulation of years; the later one represents the trouble that has occurred within a few months.

Mr. Chesson: We sowed the seed and we are now reaping the reward.

Hon. Sir JAMES MITCHELL: But does not the member for Cue realise that in a few months' time we shall have another lot of men suffering as those men are suffering?

The Minister for Mines: If we are going to get 130 out of the 3,000 in the industry in 12 months, it is time to stop the industry.

Hon. Sir JAMES MITCHELL: I agree. Even if it meant winning £20,000,000 worth of gold a year, it would not be worth the sacrifice of life, and we have no right to continue with gold mining if that is the best we can do. I was astounded to hear the figures.

Mr. Griffiths: They must represent an accumulation.

Hon. Sir JAMES MITCHELL: I thought that after we had taken from the mines the men who were suffering as a result of years of work, we should be comparatively free for a time.

The Premier: We thought the next year's examination would give very light results, but the second year's figures are astounding.

The Minister for Mines: A hundred and thirty against 140.

Hon. Sir JAMES MITCHELL: It is astounding and distressing. In the last 12 months 40 men have died. That is a great sacrifice of life. Can anything be done to

minimise the risk? If we are going to kill people off at that rate, the industry is not worth it. I am afraid the first examination could not have been carefully undertaken.

Mr. Heron: The other men must be in a pretty bad state.

Hon Sir JAMES MITCHELL: No matter how we consider it, it is a shocking business. No member of the House would like to see his son become a mine worker in the face of those figures. I am not at all surprised to hear of the amount of money that will be necessary to keep the men who have been taken out of the mines. They must live in comfort for the rest of their days, though, if the experience of last year is repeated, their days will not be very long. I hope that will not be so.

Mr. Heron: The sad part is that it seems as if several of the women will be affected too.

Hon. Sir JAMES MITCHELL: That is sad. All we can do is to indorse what is being done and to vote the expenditure necessary to enable those people to live in some degree of comfort for the rest of their time on earth. The Miners' Phthisis Act was passed some years ago, but it could not be put into operation until the present Government had been in office for more than a year, because the examinations could not be made before. As soon as the examinations were made, the Act was put into operation, and now we know the result. I assure those unfortunate people that they have the sympathy of every member. I am glad that phthisis men are being put on the land. It would be well if all the men who work in mines could be taken out at an earlier stage and put on the land. I do not know of any men more entitled to get land than they are. They should certainly have the preference.

Mr. Heron: And the best conditions that can be afforded.

Hon Sir JAMES MITCHELL: Certainly they should be given a chance. Years ago I went to the goldfields and asked for 1,000 miners to give up their calling and go on the land. I did not realise until to-night that I had done such a good work on that occasion. We got a large number of men to respond to the call. Then when there was trouble on the goldfields, during my term of office, I sent officials to the fields to encourage the miners to settle in other parts of the State. Altogether we put a great many miners on the land, and they have made wonderfully good settlers.

Mr. W. D. Johnson: You can pick them wherever you go.

Hon. Sir JAMES MITCHELL: They have really lived in the bush.

Mr. Chesson: Most of them have a fair knowledge of machinery.

Hon. Sir JAMES MITCHELL: Yes, they have used tools and lived a pioneer's life, and they make good settlers. This State needs settlers so that, by doing this work, we are killing two birds with one stone. We are helping the men who need our help and we are helping the State by setting those men up in the industry. Those men having been put on the land are able to make homes for themselves and probably a competency for their families. We cannot do better than have them settled on the land as soon as possible. At Southern Cross the other day I met some of the men who were going to settle in that part. They have come down in a particularly good year, and must feel tremendously encouraged when they see the excellent crops. The crops are wonderful. We had an opportunity of taking one of those men round with us for half a day, and we had a look at the growing crops. I hope the Government will give serious attention to the settlement of these miners. It will not be enough to let them have the treatment they would get under ordinary bank conditions. The bank is designed to assist settlers who are for the most part young men, and who do not want the special attention that these men require. I hope the Minister realises that if these men are to be asked to do heavy work, such as cutting down the forests, they will not be given a chance. Many of them are no longer young, and are now far from strong. I have every desire to help in this matter, and am not wanting to criticise. It would be better to allow them to employ labour to cut down the bush, though they might be allowed to do their own cropping. I should be sorry to ask some of them to do the heavy work of clearing.

Mr. Marshall: They could do it provided they took their own time about it.

Hon. Sir JAMES MITCHELL: Many of them are far from young. We want them to have a comfortable time. It does not make any difference to the Treasury or to the bank whether they cut the timber down themselves, or someone else is employed to do it. The sooner the work is done, the

sooner will they be able to produce. If we are going to help these people, let us help them in a decent fashion. Let them have their homes as quickly as possible and become producers. The real advantage will come to them from their crops. They will not earn as much from cutting down timber as younger and more vigorous men would do. It should be someone's special duty to look after these men, even if there are not more than 50 involved. This additional help will cost very little, but it will make a great difference to them. They should be met on arrival, and should be supplied with everything necessary to enable them to clear their blocks.

The Minister for Mines: The Minister for Lands is making all those arrangements.

Hon. Sir JAMES MITCHELL: We cannot give ordinary bank conditions to people such as these. I do not think it is anyone's special duty to look after these men. Now is the time to mention the matter.

Mr. Thomson: I thought Mr. Moran was looking after them.

Hon. Sir JAMES MITCHELL: He is a trustee of the bank. Someone should be on the spot to make the arrangements for transport and food supplies, etc. The men who are not fit for heavy work on the wheat belt should be accommodated with small sheep farms. Generally speaking, the work of the department seems to be in a satisfactory condition. The fall in the gold production is stayed. We have produced as much gold this year as we did the year before. The base metal business is satisfactory. A stocktaking is being undertaken by Great Britain that should result in much good to Australia as well as to the Empire. We should be given the opportunity to supply a great deal of our raw materials for the benefit of the Empire. Altogether the outlook is better than it has been for many years. The resources of the Empire are likely to be brought into use in a way that would not have been possible under the old method. If Great Britain will lend a hand, markets will be found for our raw materials. I do not know what we are going to get out of the iron in the North. We are most anxious to get it away. It will mean very little by way of royalty, and cannot mean much in the way of wages. It will be satisfactory so long as the ore is kept within the Empire. We shall have the deposits worked, although we shall hardly know in this part of the State that they are being worked.

The Minister for Mines: Wait until we discover coal from which we can make coke to enable us to run our own smelters.

Hon. Sir JAMES MITCHELL: Our gold mines have paid £28,000,000 in dividends. I remember the criticism of the mining companies on the part of the Federal Government and our own Government. We used to point to our dividends as being remarkable. When we were asked to help in re-establishing the gold mining industry, we pointed to the dividends and said to the companies, "You should have saved some of that money."

The Minister for Mines: So they should.

Hon. Sir JAMES MITCHELL: We are extraordinary people. We pointed with pride to the fact that this money had been paid, and then we said, "You should never have paid it all away like that." No one can say to a man who owns money, "You must not buy a motor car; you must save your money because there may be a rainy day." We have to face the situation as it is. The Minister has told us to-night that the new process at Kalgoorlie will effect considerable economies. Such tests are born of necessity, and everybody is concerned to have the work carried through. If 4s. per ton can be saved, it will prolong the life of Kalgoorlie considerably.

The Minister for Mines: It will make a wonderful saving by wiping out the roast-ing of ore.

Hon. Sir JAMES MITCHELL: If another 4s. per ton can be saved, Kalgoorlie will be well out of trouble for a long time to come. The Minister says that mining has done more for Western Australia than agriculture has. I hope that is the case; I do not mind if it has done twenty times as much. However, we must develop all our industries, each one to play its part. The trouble is that we want our goldmining industry to be active now. If a couple of good fields can be discovered, our difficulties will be practically over, because then the population that we need, and the kind of population that we need, will be attracted to Western Australia. The Minister's statements concerning Wiluna are highly satisfactory. Years ago I gave the Wiluna company a letter undertaking to build a railway if the results of development work there justified it. Our Mines Department now say the Wiluna mine justifies the building of a railway. The present Government have endorsed that letter, but they are not building the railway.

The Minister for Mines: I do not think any member, after reading the State Mining Engineer's report, but will say that the building of the line is justified.

Hon. Sir JAMES MITCHELL: Do not let us delay. The line should be built this year. The Minister might also look into the matter of supplying Glenelg Hills with water.

The Minister for Mines: I have a party boring there.

Hon. Sir JAMES MITCHELL: The place is not far from the goldfields pipe line, and it is all agricultural country. I would not hesitate to lay pipes for the 50 miles, presuming that the water could be delivered by gravitation. It is worth giving a trial. I am not concerned about the amount spent on development of goldmining, but public money should be so applied as to produce results. A few thousands spent here and a few thousands spent there are useless. Surprisingly little of the money allotted to mining development has come back.

The Minister for Mines: Considerably more value has been obtained from money spent on State batteries than from money spent on anything else.

Hon. Sir JAMES MITCHELL: But the money has not come back to the Treasury. State batteries are a kind of pioneering battery designed to help prospectors. The fact of stone being put through a State battery is a very different thing from money being returned to the State Treasury. Those who win the gold take it away. If they take it away only paying for treatment cost, doubtless the State battery system can go on for ever.

The Minister for Mines: State batteries have amply justified themselves by the labour they have employed and by their production of gold, nearly £6,000,000.

Hon. Sir JAMES MITCHELL: The Minister should rid himself of the notion that the first thing and the last is to employ somebody. Employment should produce other employment. It is no use pointing to the gross production of gold from State batteries and asking the Treasurer to set the expenditure on State batteries against the gold won through them, in which he has not the slightest interest. Moreover, to put a large amount of money into one district is better than to spend numerous small sums in various districts.

The Minister for Railways: Of course each mine claims to be the one.

Hon. Sir JAMES MITCHELL: I would rather put a few thousand pounds into a water supply for Glenelg Hills straightaway than spread the money over half a dozen shows. If the water were brought from the goldfields scheme through the intervening agricultural lands, it would be an excellent proposition. However, Wiluna is an enormous thing. I visited the place some years ago, and it was then pointed out to me that there were two or three miles of country equal to the small area which had been worked and which had produced £1,000,000 at the 100ft. level.

The Premier: The State Mining Engineer says there is no reason why the Wiluna mines should not equal in depth those at Kalgoorlie.

Hon. Sir JAMES MITCHELL: If we are to revive mining, let us do what will give one or two fields a decent chance, and let us do it as soon as we can. If a couple of fields can be got really going, it will make an immense difference to Western Australia.

The Premier: Better two big fields than twenty little ones.

Hon. Sir JAMES MITCHELL: Yes. The Minister has told us of some most cheering returns from small shows. If he believed that there is in those shows any body of ore which will give the same returns, he would not be sitting here to-night, but would be chasing round asking the people to develop their shows.

The Minister for Mines: Still, such results are encouraging.

Hon. Sir JAMES MITCHELL: Yes, but we know that the real thing is Wiluna. We want to develop shows that will make for permanency so far as goldmining can be permanent—shows at which men will be able to make homes as at Kalgoorlie. The Minister has paid the insurance money under the Third Schedule of the Workers' Compensation Act in respect of all men working in mines in Western Australia.

The Minister for Mines: For this year.

Hon. Sir JAMES MITCHELL: The London companies have cabled out thanking the Government for the assistance and apparently they think the payment is to be made for all time.

The Minister for Mines: No.

Hon. Sir JAMES MITCHELL: Well, we shall see about that later on. I hope that before the year is out the matter will be determined definitely. Here we are paying £31,000 for the mining companies and we

are paying £36,000 to keep men who had to be taken from the mines.

The Premier: That is coming out of ordinary revenue.

Hon. Sir JAMES MITCHELL: Yes, but it is all State money. In addition to that, there is £45,000 in respect of water supplies and that has been going on for the last five years. That means that for these three services we shall pay out over £100,000 this year. From Commonwealth funds £165,000 was set aside for the assistance of the mining industry. It will be seen we have been doing a fair thing. The fact remains, however, that we cannot go on paying the insurance money under the Workers' Compensation Act. If the mining industry cannot bear the load, we cannot expect other industries to carry the load too. It cannot be passed on. We cannot continue doing this, no matter how beneficial it may be.

The Premier: We cannot continue to pay £5 for every £4 worth of gold that is taken out.

Hon. Sir JAMES MITCHELL: No. It would not be fair to say that the State will pay the insurance money in respect of the gold mines, and yet expect the coal mines at Collie to pay the money themselves.

The Premier: This cannot go on indefinitely.

Hon. Sir JAMES MITCHELL: Of course not.

The Minister for Mines: The coal mines do not come under the Third Schedule at all.

Hon. Sir JAMES MITCHELL: I thought they did.

The Minister for Mines: No, only the gold mines.

The Premier: Unfortunately, the gold mines are not showing a profit now.

Hon. Sir JAMES MITCHELL: One of the mines is, and Wiluna will. However, it is no use holding out any prospect of the assistance regarding the insurance payments going on indefinitely.

The Minister for Mines: That prospect is not being held out at all.

Hon. Sir JAMES MITCHELL: It is hardly logical to say that we shall pay the money this year, but the companies will have to pay it next year.

The Premier: At any rate, something definite will have to be done.

Hon. Sir JAMES MITCHELL: I am perfectly willing to give the mines a chance,

but we are doing this in the interests of the shareholders.

The Minister for Mines: We are doing it for the workers, too.

Hon. Sir JAMES MITCHELL: No, it is for the owners of the mines. Without this assistance, the mines would be closed down. I am glad to know that Parliament will be asked to authorise the construction of a line to Wiluna this session. I hope the Minister will also propose laying down a pipe track to Glenelg Hills. If water is not available there can be no battery and without a battery there can be no development. If he intends to bore for water it will take a considerable time and cost a lot of money and in the end he will probably have to take the water from the Kalgoorlie scheme.

MR. GRIFFITHS (Avon) [10.26]: It was heartening to hear what the Minister had to say in introducing the Estimates, although his story regarding the men suffering from work in the mines was rather depressing. While the Minister was speaking I interjected with a query regarding the recommendations of the Federal technical committee. He said the information had been available. In to-night's paper it is stated that the report would be made available early in the year. I was rather surprised to hear that the details had been given out. I presume the reference in the "Daily News" was to the complete report. The history of mining in Western Australia reads like a romance. It is generally recognised that the gold-mining industry brought Western Australia to its present proud position. In to-night's "Daily News" there is a report in which the following appears:—

Certain special prospecting work under one of the new methods is now being conducted at the Perseverance Mine, Great Boulder, and it is claimed that certain new bodies of ore have been located. The fact that the obstructions found are gold-bearing lodes, or other forms of material, has yet to be proved, and if they are lodes their value has yet to be proved also. The Mines Department is apparently adopting a wait-and-see policy before giving its approval to this or any other process. The Prime Minister has been in communication with the local department with regard to the geophysical method of prospecting, but nothing has yet been decided on by the Government.

The Minister to-night practically gave the lie to that statement. I would like to remind him that this matter is engaging the attention of the mining world generally. I hope the Minister will bear in mind the necessity

for a visit to Westonia. The people there have been looking forward to a visit from him with some anxiety. At that centre there is ore, valued at something like £750,000, known to exist. When referring to Westonia some time ago I said it was under a cloud and the member for Yilgarn (Mr. Corboy) retorted that he thought it was under water. That really describes the position. If the Minister goes to that centre certain details will be laid before him, and if he favours them it will be possible for something to be done. That will help the people of that locality and, if the mine is unwatered, the valuable deposits will be worked. The resources of the local people are altogether inadequate to permit this to be done. The people there are not in a position to erect a plant necessary to unwater those mines. According to the mining reports, no improvement whatever has been made in working costs. The Commonwealth Development Commission has spent a considerable time on the fields and the department is awaiting their conclusion. Possibly some relief will be obtained from the tariff. The Minister holds out hope that this technical committee that has examined these mines will put up recommendations that will cause Mr. Pratten to reconsider the bearing of the tariff.

The Minister for Mines: Not that committee. That is the migration committee.

Mr. GRIFFITHS: Oh, I thought it was this committee. However, working costs have gone up and values have gone down and the sooner something can be done the better. We have a Minister that will do all in his power to bring about an improvement. There are many people in the auriferous area in my district and I want them to realise that I am trying to get the Minister to go up there and see for himself whether some of their difficulties cannot be overcome. I can assure him that if he goes he will see something of more than passing interest in the transformation of the Westonia goldfields into a new wheat province. I can promise him a right royal welcome.

HON. G. TAYLOR (Mount Margaret) [10.33]: I notice there is an increase of over £2,000 in the vote. One cannot help feeling very sorry about the reports of the laboratory tests as to the conditions of the miners on the goldfields. It is appalling. Those of us who have been associated with the fields all these years and who realised that

the work was undermining the health of the miners never for a moment contemplated such reports as we have heard read out to-night.

Mr. Thomson: It is one of the saddest things I have heard in the House.

Hon. G. TAYLOR: If at the first examination it is found that 140 men are suffering from tuberculosis and miners' phthisis plus tuberculosis, and if some 12 months later another test reveals that 129 other men are so suffering, whilst there are still 147 to be examined, I cannot see what hope there is. Surely not the same men were being tested over again.

The Minister for Mines: No, not the tubercular men.

Hon. G. TAYLOR: I cannot conceive of their developing so rapidly as to reach the advanced stage in so short a period. I expect the laboratory test is very thorough.

The Minister for Mines: Yes, it is an X-Ray test.

Hon. G. TAYLOR: We paid out £21,000 last year and are making provision for more this year.

The Minister for Mines: It is estimated that the cost this year will be £37,000; that is not entirely new, but is continuing the payment to the other men.

Hon. G. TAYLOR: As pointed out by the Leader of the Opposition, if that is the price in humanity, in men's health and lives that we have to pay, together with what it costs in coin of the realm, I think the matter requires reconsidering. It is bad enough that we should have to pay heavy costs in cash, and so much worse that the lives of so many of our workers and bread winners should be menaced. I am dumbfounded at the figures the Minister has given us. No doubt they are accurate.

The Minister for Mines: Unfortunately they are.

Hon. G. TAYLOR: Last year there was a carte blanche vote of £165,000. The committee did not direct how the money was to be spent. I presume the Minister has got some of the disabilities money for these obligations.

The Minister for Mines: No; the only thing will be the payment for 12 months of the insurance premiums under the third schedule, totalling £31,000.

Hon. G. TAYLOR: In my view, that is not giving any assistance to the mines. It will

not give the industry any fillip. It is protecting the companies and the mine owners, certainly, but I do not think we can expect that that money will serve to increase our output in any way. The Minister may argue that if the Government did not give this relief to the company the mines might close. But in view of the miners' phthisis figures, that have been given us to-night, I do not know whether we should not be justified in reconsidering the whole position. It is of no use accusing the Government of lack of interest in gold mining. That was all very well when the present Opposition were in power, for a number of them had no direct interest in gold mining. We now have a gold-fields Ministry, and it would be idle for anyone to contend that the Government of the day are not doing what they can to assist and improve the mining industry. Even with that assistance the industry is still going back and back. It is a matter that Governments cannot prevent, and it is well to understand that and treat fairly with each other and do what we can to help the industry. If it is within my power to assist the Government in any way, I shall do it readily. Last session or the session before I stated, when discussing the Mines Estimates, that we should cease frittering away money in small amounts. There are certain prospectors who do genuine prospecting work. I know several parties and if the Government said to them, "There is £2 a week; report at the end of the year," it would not be necessary to bother more about them. They would give genuine service for the money. They do nothing else but prospecting; in the last 25 years they have not earned a shilling apart from prospecting. They are careful, steady men. There is one I could mention that has development sufficient to provide two years' work. Owing to the machinery being almost obsolete and the award providing for a big increase of wages, the mine was closed down. If it is found that the Wiluna ore can be successfully treated, I am satisfied that the Biera ore, which also is refractory, could be treated by the roasting process. The trouble is that the water in the mine has again reached water level and it would cost thousands of pounds to reduce it. Probably £20,000 or £30,000 would be needed to bore along the line of reef. We know that there is two years' work ahead in the mine for over a hundred men, and that would support a population of 500 people.



Mr. E. B. Johnston: What value does the ore give?

Hon. G. TAYLOR: Very good value. The ore body is over 30ft. wide. When the mine was working it was supposed to be one of the best in the State. If the Minister looks up the figures, he will find that what I say is correct. The trouble is that an immense amount of money would be required to reopen the mine. The only hope would be to bore along the line of reef at great depth, show the values existing, and then say to a company, "There you are; it has cost so much to test the mine; take it over, work it and pay us our money when you are in a position to do so." That is the only way we are likely to do any good for mining in this State. Of course, we must keep a few men out prospecting, but we should not dream of spending sums of money all over the place. We need to spend a large amount in order to achieve definite results. The public batteries do not come under these Estimates; they are placed in a separate division. In the past we used to devote hours to discussing State batteries and their work. Though they occupy an unimportant place in the Estimates to-day, the public batteries have played a very important part by producing gold and assisting men who had found a small reef. We have spent a large amount of money on the State battery system, but it has been the means of returning much wealth to the State. Even if the State is a little out of pocket in a direct sense, the system indirectly has paid us well.

**MR. CHESON** (Cue) [10.47]: I give the Government credit for their efforts to revive the mining industry through the medium of the Prospecting Board and the mines development vote. If we wish to open up the country, it is necessary to send the prospectors out. I am not greatly in favour of assisting the prospectors in and around the old fields because there they require machinery and other assistance under the mines development vote. If we desire to open up new fields, the prospectors must be sent out. At present they cannot get the assistance that was made available in the past. There used to be business people on all the goldfields of Western Australia that were prepared to assist the prospectors by sending out parties. Not so now. The work of financing the parties falls on the Government. Most of the men who engaged in prospecting in the early

days are getting up in years and are not in a position to go out on their own account. The price of commodities has increased so greatly. Consequently the Government come to their aid by fitting them out and granting them sustenance. By those means several fields have been opened up by prospectors during the last 15 or 20 years. The State batteries have assisted the small men considerably. It is after the prospectors have done their work that the companies come into being. Consequently we should assist the prospectors. In every instance when propositions have been submitted to me that would bear investigation there has been no difficulty in obtaining Government assistance under the mines development vote. Recently I made a trip from Leonora through the whole of the Murchison and as a result of that I feel confident of the future. There is no doubt about the value of the development in the Wiluna mines. There are uniform values right through the mine. Practically over 1,000,000 tons of ore have been developed. Once they get the extraction at Wiluna, the development will go a long way towards giving a big fillip to mining in Western Australia. There are two or three propositions in my district that are looking very well. At one show the shaft is down 200 feet and driving has been carried out to the extent of 500 feet. The values are over 50s. We had a diamond drill operating on the Murchison and we now want one in the Cue district, where two or three propositions have been selected for boring by the Government Geologist. I feel confident that at least one of these shows, taking the development of the oxide zone, will prove satisfactory on the sulphide zone. When the drill is operating we should get good results. We have been given some appalling figures, as a result of the laboratory tests showing the number of men suffering from tuberculosis. After my experience of the Great Fingall mine and of the men working in the deep levels, I am not surprised at the figures. When a man goes from shallow mining to deep mining, under the conditions existing in this State, he must contract the disease. We are now reaping the reward for our deep mining methods. If the old men were pulled out of the mines and young men put in their place, no doubt it would take some years for the disease to reveal itself. If men work under a proper system of ventilation, very little tuberculosis will occur. There has not been the

upcast and the downcast, and the amount of air going into the mines has not been properly distributed. That is frequently the cause of tuberculosis. A great deal of criticism has been offered by Mr. Moran, which comes ill from him. The Great Fingall mine paid a million and three quarters in dividends. If the company had put £100,000 on one side for the sinking of a main shaft instead of putting it into a wild cat scheme in West Africa the mine would have been working to-day. The chute of gold went away to the north. The mine made no provision for the future and built up no reserve, nor were the developments carried on ahead. A big plant was established and the gold was ripped out as quickly as possible. Nothing was done in the way of looking after the miners. Now the Government are prepared to assist the company, but the company will not give security over the plant. A company that has done so well should not criticise the Government who are willing to help them. The criticism from the chairman of directors comes with ill grace. I feel sure that the present development on the Murchison, especially at Wiluna, will give a big fillip to the mining industry, and that capital will be put into many propositions that are now closed down.

**MR. J. H. SMITH** (Nelson) [10.55]: I was pleased to hear the optimistic remarks of the Minister with regard to the possibilities of the Wiluna district and of the State generally. Has he taken into account the possibility of a conflict of opinion as to the best method of serving the industry when the Wiluna railway is built? I suggest that, when the Bill is introduced, no particular route should be specified, but that Parliament should be left to decide.

**Hon. Sir James Mitchell**: The Government do not want to take the responsibility.

**Mr. J. H. SMITH**: It is pleasing to note that the gold mining industry is on the up-grade, and that the future is brighter than it was. Dealing with base metals, I have previously referred to the grant given by the Commonwealth Government for the assistance of mining in Western Australia. I hope Greenbushes will not be lost sight of. That was once a flourishing district, producing nearly 400 tons of tin annually. To-day the industry there is dead, and only four or five dredges are working small pro-

positions. We have lost sight of the leads, and are confining ourselves to lodes. We believe in the future of the district. The previous Government came to our assistance, and gave us a subsidy of pound for pound. By the good offices of the former Minister for Mines something further was done, £2 being granted for every £1 to prove the Cornwall lode at depth; this lode, I may add, being one of many. We had to scamp round amongst a pretty hard-up community—traders, mill workers, and old miners who had hung on for years—to rake together £1,000, and the Government gave a subsidy of £2,000. Unfortunately the total of £3,000 has been expended without proving anything. All sorts of difficulties had to be contended against, and some of the hardest diorite ever known in Western Australia was struck. The estimated cost of sinking was £12 per foot, and the actual cost between £40 and £50 per foot. Instead of going down on one chamber of about 4ft., the party went down on the 12ft. shaft, and that cost money. The lode had been abandoned for many years, and a good deal of ground had sifted in, and had to be repacked and made safe before sinking could proceed. On the Address-in-reply I informed the Minister that I wanted £5,000 for Greenbushes out of the special grant; and the Minister said, quite sincerely, "You are very modest in your requirements, and you can get that amount, but we can make provision for it from our mining vote." That, however, is what the Greenbushes people do not want, because they cannot afford to contribute anything more themselves. They want a direct contribution from the Government. The entire hill should be tested by diamond drilling. The Minister informs me that diamond drills are not obtainable unless one sends to England for them.

The Minister for Mines: And it takes 17 months to get one delivered.

**Mr. J. H. SMITH**: The Greenbushes people only want to go down 200 or 300 feet. I am aware that assistance is still being given, on the pound for pound basis, to a party working in the tunnel at Greenbushes. We are grateful for that assistance, but it is not sufficient. A field which has been established for some 30 years should receive consideration, especially as it has contributed largely to the wealth of the country. The Government might well spend £5,000 at Greenbushes. If that is impracticable, I would

ask the Minister to constitute a mining board composed of men who have hung on to the field, in some cases, for as long as 30 years, and give the board sufficient money to sink one shaft from the 130ft. level to 150 or 160 feet, and then to put in a crosscut to ascertain whether the lode exists. The Government went to the assistance of Greenbushes to the extent of a battery, but a battery is useless when the only work in progress is drainage. Every Government owes a duty to assist Greenbushes, because it is a crime to let the town go down. The local residents have already put in what money they could afford, and £5,000 should be earmarked for Greenbushes from the special vote. There is a large tract of country leading 14 miles south of Greenbushes and 12 miles west of Bridgetown which gives good indications of tin. Its name is Smithfield. Years ago I spent some hundreds of pounds in prospecting for tin there, but the party found nothing of sufficient value—only two or three ounces every here and there. The Government have money available for mining development, and should spend it. It would be useless for the Minister to offer even £5 subsidy for £1, because Greenbushes has not the money to put in. Therefore an amount of £5,000 should be earmarked from the special grant. My personal preference would be for diamond drilling by an officer of the Mines Department with the assistance of Greenbushes miners.

Vote put and passed.

Progress reported.

*House adjourned at 11.10 p.m.*

## Legislative Council,

Thursday, 3rd November, 1927.

Question : Mental Receiving Home, staff ...	...	1611
Bills : Industries Assistance Act Continuance, 2a., passed ...	...	1611
Railways Discontinuance, 2a. ...	...	1611
Mental Treatment, returned ...	...	1611
Loan and Inscribed Stock (Sinking Fund), 2a. ...	...	1611
Closer Settlement, Com. ...	...	1611
Racing Restriction, Com. ...	...	1621
Hospitals, Recom. ...	...	1621

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

### QUESTION—MENTAL RECEIVING HOME, STAFF.

Hon. E. H. GRAY asked the Chief Secretary: When arranging for the staff to be employed at the Point Heathcote Receiving Home, is it the intention of the Minister to provide that men attendants shall be engaged to care for male patients?

The CHIEF SECRETARY replied: The Government have not yet given consideration to the staffing of Heathcote.

### BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Read a third time and passed.

### BILL—RAILWAYS DISCONTINUANCE

*Second Reading.*

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.35] in moving the second reading said: This is a class of Bill that, I am glad to say, is seldom submitted to this House. As a rule we introduce Bills for the building of railways; this is a Bill for the pulling up of railways. There are three in all—the Bunbury Racecourse line, the Kalgoorlie-Kanowna line, and the Kamballie to Lakeside section. The Bunbury racecourse line was constructed in 1897 before the advent of motor cars. It consists of 1 mile 36 chains of line, and was placed in its present position to serve the racecourse and show grounds. The distance of both the race course and the show ground from Bunbury is two miles. In the early history of the