

BILL—AUDIT ACT AMENDMENT.*Council's Further Message.*

Message from the Council received and read notifying that it had agreed to the recommendation of the Conference.

BILL—CONSTITUTION ACT AMENDMENT (No. 2).

Returned from the Council without amendment.

ADJOURNMENT, SPECIAL.

THE PREMIER (Hon. P. Collier—Boulder) [7.32]: I move—

That the House at its rising adjourn until 4.30 p.m. to-morrow.

Question put and passed.

House adjourned at 7.33 p.m.

Legislative Council,

Friday, 9th December, 1927.

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BILL—PUBLIC SERVICE COMMISSIONER'S SALARY.*Second Reading.*

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [3.0] in moving the second reading said: Except in South Australia, the Western Australian Public Service Commissioner is the lowest paid in Australia. The rates paid elsewhere are:—New South Wales (a board of three), £5,500; Victoria, £1,250; Queensland, £1,500; and South Australia £800. The last increase to our Public Service Commissioner was from £850 to £1,000 from the 1st July, 1920. It was impossible to increase his salary with that of others during the recent classification as the amount in his case is statutory. It is not proposed to date the increase back to July, 1926 (the date of the re-classification), but to the 1st January, 1927, only. The Public Service Commissioner was appointed in April, 1917. During his 10 years' occupancy of the office his work has been very strenuous. There have been two re-classifications of the service, and a great deal of re-organisation consequent upon varying conditions has been undertaken, and the work has been successfully carried out. The office is a responsible one. The classification of the positions of permanent heads was raised to a maximum of £960 as from the 1st July, 1926, and the amount prescribed in the Bill provides a reasonable margin between this maximum and the emoluments of the office of Commissioner. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Act No. 22 of 1920, Section 2:

Hon. Sir WILLIAM LATHLAIN: I have no objection to this increase, nor to its being made retrospective. I feel, however, that the recent increase in the salary of the Auditor General should have been made retrospective on the same basis as that of the Public Service Commissioner.

The **PRESIDENT** took the Chair at 3 p.m. and read prayers.

Hon. A. LOVEKIN: I also do not think it is equitable. The Auditor General is an officer of Parliament. We give him an increase of £200 dating from the 1st July last, and we are to give the Public Service Commissioner an increase of £250 dating back to the 1st January. I move an amendment—

That in line 7 the word "January" be struck out, and "July" inserted in lieu.

The CHIEF SECRETARY: I hope the amendment will not be agreed to. Last year the duties carried out by the Public Service Commissioner were very strenuous. He had to make a reclassification of the service, and as a result of his exceedingly hard work he broke down in health and had to go abroad for a change.

Hon. J. J. HOLMES: Recently we increased the salaries paid to judges. I should like to know from the Chief Secretary from what date that increase took place.

Hon. A. Lovekin: Those increases were not made retrospective.

Hon. J. J. HOLMES: The Minister has not replied to my question.

Hon. A. Lovekin: I take it he does not intend to do so.

Hon. E. H. HARRIS: I have the Bill relating to judges' salaries now before me. There is nothing in it to show that the increases were to be retrospective. It was pointed out in this House that our public officers were entitled to further remuneration, and it is as a result of the protests made that these Bills are now coming before us.

The CHAIRMAN: I would remind the hon. member that he cannot debate a question that has already been disposed of this session.

Hon. E. H. HARRIS: If no valid reason is given for the discrimination in this case, we shall be justified in supporting the amendment.

The CHIEF SECRETARY: The increase in the salaries of judges dates from the day when the Bill was assented to by the Governor.

Hon. J. J. HOLMES: That will be the date of proclamation. One Bill is made retrospective, and the other prospective. I shall vote against Mr. Lovekin's amendment because the Chamber, having agreed to increases proposed by Ministers for them-

selves, ought not to cavil at something to be granted to a public servant.

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

Ayes	..	..	..	7
Noes	..	..	..	14

Majority against .. 7

AYES.

Hon. E. H. Harris	Hon. G. Potter
Hon. A. Lovekin	Hon. H. A. Stephenson
Hon. J. M. Macfarlane	Hon. G. A. Kempton
Hon. G. W. Miles	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. J. W. Hickey
Hon. J. R. Brown	Hon. J. J. Holmes
Hon. A. Burvill	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. Sir W. Lathlain
Hon. J. Ewing	Hon. H. Seddon
Hon. E. H. Gray	Hon. Sir E. Wittenoom
Hon. V. Hamersley	Hon. H. Stewart
	(Teller.)

Amendment thus negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

Read a third time and *passed*.

BILL—PARLIAMENTARY ALLOWANCES ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [3.21] in moving the second reading said: This overdue Bill is really to correct what I may describe as an anomaly that arose in 1919. For many years prior to that period there had been a certain marginal difference between the allowances to private members and those to the President of the Council, the Speaker of another place, and the two respective Chairmen of Committees. In the days when the annual allowance to private members was £200, the allowance to the President and the Speaker was £600. The marginal difference between the allowance to the President and that to members was £400, and similarly as regards the Speaker. At that time there was also a difference of £200 between the allowance to private members and that to the Chairmen of Committees. Upon the allowance to private members being

increased by £100 per year in 1919, that increase was not applied to the other four positions; and thus the margin between private members and the President, the Speaker, and the Chairman of Committees was diminished, in the former two cases by £300, and in the latter by £100. The Bill proposes to restore the margins which existed prior to 1919. It will do so by increasing the allowance to the four positions by £100 annually. I move—

That the Bill be now read a second time.

HON. A. LOVEKIN (Metropolitan) [3.23]: I suppose these officers will do some extra work for the extra pay, and I suggest that perhaps during recess handbooks might be prepared by the four officers who are to receive this additional money—handbooks which will be useful, not perhaps to old members, but to new members who are coming. I suggest that possibly the Speaker might write a work on *Lex et Consuetudo Parlamenti*, and that you, Mr. President, might put up something on the rights and privileges of Upper Houses, and perhaps our friend the Chairman of Committees might put up a few notes on the Standing Orders, showing how to acquire a knowledge of Parliamentary practice expeditiously. I take it that then there will be some value for the extra money. My suggestions are made because we must protect the taxpayer, who is burdened by these additional charges.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair: the Chief Secretary in charge of the Bill.

Clause 1—Short Title:

Mr. LOVEKIN: In introducing the Bill the Minister said it was long overdue, and therefore I want to know why these increases are not made retrospective. The same argument was put up in the case of the Public Service Commissioner. In order to make things equitable, if officers on a lower plane are to have retrospective payment, surely officers of high grade should have it also. Therefore I move—

That it be a request to the Assembly to add to the clause the following words:—"and shall have effect from the first day of January, 1927."

Hon. J. Nicholson: You are proposing to increase the burden on the people.

Hon. A. LOVEKIN: I am putting forward a request. We have done what is right by the Public Service Commissioner, and we should do what is right by the President, the Speaker, and the two Chairmen.

Hon. Sir Edward Wittenoom: I suppose the hon. member is not really serious?

Hon. A. LOVEKIN: I do not understand Sir Edward Wittenoom. I am very serious about this request—more serious than some members are about doing things at the present stage.

The CHAIRMAN: This is a money Bill. It appropriates revenue.

Hon. A. LOVEKIN: Yes; and this is one of the stages at which we can make a request.

The CHAIRMAN: I am inclined to think the amendment—

Hon. A. LOVEKIN: There are various stages of a Bill at which, under the Standing Orders, we can make requests to the Assembly; and this is one of them. I am entitled to move a request to the Assembly to make this addition to the Bill. It does not increase the burden on the people.

The CHAIRMAN: I am inclined to think that the requested amendment does increase the burden.

Hon. A. LOVEKIN: If, Mr. Chairman, you speak on behalf of yourself and of your colleague in the Chair, and you two gentlemen do not want the additional payment, I shall not press the request.

The CHAIRMAN: I ask the hon. member to give notice of his question. Is it the pleasure of the Committee that the amendment be withdrawn?

Amendment by leave withdrawn.

Clause put and passed.

Clause 2—Amendment of Section 6:

Hon. Sir EDWARD WITTENOOM: Whatever opinion may be held as to these additions, I cannot help taking the opportunity of congratulating the Chamber on the fact that an increase is being made in the allowance to the Chairman of Committees. When one has occupied the position of President, one is more competent to appreciate how exceedingly arduous is the work of the Chairman. During the session he is the hardest worked man in the House. When the allowance to private members was raised to £600, I suggested that at least £100 a

year additional should be placed to the credit of the Chairman of Committees in each House.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

Read a third time and *passed*.

BILL—EMPLOYMENT BROKERS' ACT AMENDMENT.

Assembly's Message.

Message from the Assembly notifying that it had disagreed to amendments made by the Council, now considered.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

The CHAIRMAN: The reason given by the Legislative Assembly for disagreeing to the amendments made by the Council is that the amendments will destroy the main principles of the Bill.

No. 1. Clause 2—Delete paragraph (c):

The HONORARY MINISTER: I move—That the amendment be not insisted upon.

Hon. A. LOVEKIN: What does the Assembly regard as the main principles of the Bill? Are the main principles those which seek to get rid of the employment brokers altogether, to prevent employees who obtain positions through the employment brokers from paying anything to the employment brokers, and so on? If that is so, I take it the Committee cannot possibly agree to the Honorary Minister's proposal. I suggest the main principles of the Bill are those that alter the machinery of the court. We have left those intact. What we have altered may represent main principles from the Government point of view, but they are not main principles from my point of view. There is the right of the factory inspector to go into employment brokers' offices, and the obligation upon those employment brokers to keep copies of their correspondence and correspondence generally for six months for inspection by an inspector. Those phases and similar ones are not the main principles. On the votes we recorded during the passage of the Bill, I suggest we insist upon our amendments.

Hon. E. H. HARRIS: When the Bill was before us, we were told that the main object was to take away from the licensing bench the authority they now possess and to place the authority elsewhere. We agreed to that and for that reason we opposed the move that would have defeated the Bill at the outset. We passed the machinery clauses. As the Committee were unanimous we should be consistent and insist upon our amendments.

The HONORARY MINISTER: I will not enter upon a discussion at this stage. Apart from the operations of the court the clauses that were dealt with by the Council embodied main principles. The Assembly has given a justifiable reason for disagreeing to the Council's amendments.

Question put and negatived; the Council's amendment insisted upon.

No. 2. Clause 11.—Delete.

No. 3. Clause 12.—Delete.

No. 4. Clause 13.—Delete.

No. 5. Clause 15.—Delete.

No. 6. Clause 16.—Delete.

No. 7. Clause 18.—Delete.

The HONORARY MINISTER: I move—

That the Council's amendments Nos. 2 to 7 be not insisted upon.

Question put and negatived; the Council's amendments insisted upon.

Resolutions reported, the report adopted, and a message accordingly transmitted to the Assembly.

BILL—LOAN, £4,940,000.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [3.38] in moving the second reading said: This is the usual Bill introduced each year at this time. It is for the purpose of obtaining authority to raise money to carry on work covered by the Loan Estimates. It does not in itself authorise the spending of any money. That can be done only by the Loan Estimates. The first schedule shows the money it is proposed to raise. It amounts to £4,940,000. The second schedule provides for balances on certain items, authorised on previous Loan Bills and no longer required for those purposes, being transferred to other items, as set out in the third schedule. It will be

seen from the first Schedule that only funds for works already in hand, or previously authorised, are to be raised. A large proportion of the money to be raised will be supplied by the Commonwealth Government at low rates under the Migration Agreement. It is not possible to say at the present moment what that money will amount to, for it is provided only as we require it to spend, but, in the opinion of the Treasurer, it will be considerable. The amount to be raised is approximately sufficient to carry on for one year only. It is intended to raise this money as opportunity offers. At present we have an overdraft in London, and we are relying on our financial advisers as to the most suitable time to float a new loan. I move—

That the Bill be now read a second time.

HON. H. SEDDON (North-East) [3.40]: There are certain aspects in connection with the raising of loans that the House should consider as they affect the community generally. The public indebtedness of this State amounts to £70,606,175 and the net public indebtedness to £61,849,240, the fact that we have a sinking fund accounting for the difference. The interest payments to the 30th June, 1927, amounted to £3,082,087, and the sinking fund contributions to £212,951. Hon. members and the public generally are interested to know exactly how much of that annual charge is taken from Consolidated Revenue and how much is recouped to the State by departments and public activities in connection with which the loan money has been expended. During the session I endeavoured to obtain figures to arrive at the total. I found it was impossible to get accurate details, and it was only after repeated inquiries that I was able to arrive at figures that would approximate the difference between the two items. Out of the total amount of £3,295,038 which represents interest and sinking fund contributions, the various State activities paid last year something like £2,700,000, leaving roughly about £600,000 to be paid from Consolidated Revenue. That is as near as I can get to the figures disclosed in various returns. In other words, 19 or 20 per cent. of the amount was paid by the general taxpayer towards the annual debt charges for last year. As our public debt increases, so the amount we shall have to pay will increase correspondingly. Of course it

has been pointed out that much of that which we are expending to-day is cheap money.

Hon. E. H. Harris: But it will be dear later on.

Hon. H. SEDDON: It is cheap for a limited period only. For the first five years we have the advantage of the very low rate of interest, which increases until at the end of ten years we shall be paying the full market rate on the money borrowed.

Hon. J. Nicholson: That is in respect of loans raised for specific purposes.

Hon. H. SEDDON: Yes, it applies to certain loans only. The other loans will have to be raised at the normal rates of interest. Our view is that the advantage of the cheap money lies in the fact that by the end of the period at which the reduced rates of interest expire, the undertakings on which the money has been expended will be in a position to bear the full burden and will not impose additional financial strain upon the State. It is argued that the cheap money is made available with the idea of assisting migration and aiding development. While development is being encouraged, we cannot ascertain from the migration figures that any great advantage has been gained regarding migration to this State. Unfortunately the figures are not as up to date as we would like to have them. I should like to quote the migration figures for five years past, to show the annual increase of population as is given in the quarterly "Statistical Abstract." We find that in 1922 the total increase of population was 8,435; in 1923 it was 10,207; in 1924 it was 10,309; in 1925 it was 8,059; and in 1926 it was 7,210. So it will be seen that apparently we have embarked on a heavy loan policy, but have not gained the results we expected in point of increased population. The production figures I have dealt with on a previous occasion so I will not weary members with them again, beyond saying that they are not kept up to date, and that therefore we are always two years behind when we endeavour to ascertain the result of our loan expenditure on the State's production. Last year's results indicate a forward movement and this year's harvest is apparently a very large one. Certainly there will be a big increase in our production, but because the figures will not be available for another two years, we shall not be able to determine what the increased production actually is. I should like to place before the House an aspect of foreign borrowing which I think has

not been gone into previously, notwithstanding that it affects the finances of the State considerably. I want to draw attention to the fact that while we are raising most of our loans in London, we have a credit in London as the result of our trading; and while we have a debit in the Eastern States as the result of our trading, we are raising very little money in Australia. In 1926 we exported overseas 13¾ million pounds worth of goods, while we exported to the Eastern States and New Zealand 1½ million pounds worth. In the same year we imported from Great Britain and overseas 8¾ million pounds worth of goods and from the Eastern States and New Zealand 7½ million pounds worth. So we have a debit balance in the Eastern States and a big credit balance overseas. In regard to our loan commitments abroad, interest and sinking fund amount to roughly 2¼ millions, and if we allow for Government purchases abroad, two millions per annum, it will be seen that on our trading figures we have credits of 5½ millions overseas and debits in the Eastern States of six millions. Yet we are borrowing most of our money overseas. The question arises as to why it should be necessary. This State each year has big credits in London, even allowing for our loans and for our payments on account of purchases. Yet we are borrowing money in London while we have big debits in the Eastern States each year and could better settle those debts by raising money there rather than, as now, in London whence it is transferred to Australia in order to balance our account in the East. To see how that is working out, I have gone into the question of the balances of other States in the same year. New South Wales borrows more money in London than in Australia, whereas Victoria borrows more in Australia than in London. As regard imports and exports, New South Wales in 1926 exported £54,000,000 worth and imported £64,000,000 worth, while Victoria in the same year exported £33,000,000 worth and imported £50,000,000 worth. The figures in each case are for overseas imports and exports. Other States, like ours, exported more than they imported from abroad. The point I wish to make is that New South Wales and Victoria are importing heavily from overseas. The credits of Western Australia and the loans raised are being used to pay their debit balances in London. Those goods we are importing

from abroad are carrying tariff charges and shipping charges, with the result that somebody is losing. The general effect of the tariff is 22.6 per cent. So somebody has to pay the difference between the actual price of those goods abroad and the extra price of 22.6 per cent. that those goods will be valued at in Australia. By allowing financial institutions to handle her balances, this State is paying very heavily indeed for her Eastern States importations and also very heavily for the credit she has in London. To show the position in respect of public debt increases, in 1926 New South Wales increased her public debt in Australia by £1,899,486, and abroad by £4,274,175, or a total of £8,173,661. Victoria in the same year increased her public debt in Australia by £6,361,122 and abroad by £5,458,302, or a total of £11,819,424. Western Australia in 1926 paid off in Australia £1,286,889 and increased her debt in London by £7,600,549, making a total increase of £6,313,660. The point is—I should have liked to go more thoroughly into it—what is exactly the position of Western Australia's trade and how much has she to bear of the burden of the Eastern States liabilities abroad, how much she is paying towards their extra imports. Because of our position in the Eastern States, the materials we are importing from there, we have to pay very heavily indeed as compared with what we might pay if we kept our balances separately and used those balances in London, sold them there and got the benefit, and also kept down our imports from the Eastern States—if we did that we should be in a far better position than we are to-day. I took this opportunity to speak on the Loan Bill because this is an aspect of the question that peculiarly affects our borrowing.

HON. G. W. MILES (North) [3.53] :

There are only two items to which I wish to refer. One is Item 38 of the First Schedule, State Steamers £440,000. I should like the Chief Secretary, when replying, to tell us what that money is for, whether it is to recoup trust funds or losses already made by the Shipping Service, or whether it is new money for the building of ships. Also there is in the Second Schedule an item "Urgent minor works throughout the North-West, £15,000." They reappropriated £11,596 14s. 11d. That means that out of that £15,000 for the North-West £3,403

5s. 1d. has been spent, while the balance is re-appropriated into the Third Schedule to be used for loans and grants to local authorities for the erection of country hospitals, etc. The money voted for the North-West has not been expended. I do not know whether the Government are to be congratulated on the economy they have effected in the administration of the North. Perhaps not.

HON. J. CORNELL (South) [3.55]: There are in the Bill two or three items that I should like to touch upon. I wish to congratulate the Government on Item 5 in the First Schedule, Kalkalling-Bullfinch railway £100,000. That is long overdue and will serve a very useful purpose. The sooner that line is completed the better for the people concerned and for the railway service generally. It will surely be a profit-making concern. I deplore the fact that nothing has been done to provide railway facilities for that remote part of the South Province from Lake Grace up to Kalgarin and eastward. There is in the State no other body of settlers working under more disadvantageous conditions in point of distance from railway than are those Kalgarin settlers, nor do I think there is any other body of settlers with better claims to railway service. In the Loan Estimates of last year there was an item of £10,000 for the Kalgarin-Lake Grace railway. However, no Bill was brought down to authorise the building of the line. There was a reason for that. About four days before Parliament opened the Premier gave a deputation an undertaking that a Bill would be introduced on the lines of the Advisory Board's report and a sum placed on the Estimates. But two or three days before the session closed Mr. Stileman's report came to hand and, as a result, the Advisory Board's proposal was shelved and no Bill was brought down for the railway, the amount being left on the Estimates. That was about the first time in the history of Responsible Government that there was on the Estimates an amount for a line that was not duly authorised. I regret that the Bill has not been brought down this session. I have supported every railway Bill to come before Parliament since I have been in the House. The Kalgarin settlers richly deserve a railway, and had it not been for the conflict between the two reports, had it not been that Mr. Stileman stepped into a business that was not his and submitted a

recommendation contrary to that of the Advisory Board, whose business it was to say where the railway should go, the Kalgarin settlers would have got their railway. However, as I say, no Bill was brought down and the item has since been removed from the Estimates. If the State is going to be opened up as it should be, and is going to absorb a maximum number of settlers, the sooner some definite policy is agreed upon for opening up the country from Kalgarin eastwards to the Esperance railway and north to Southern Cross and providing it with railway facilities and water supplies, the better it will be for all concerned. That is the only way the district can be opened up. There is another matter that concerns the South Province. No reference is made in the Bill to the Esperance jetty. As far back as February 12 months, Mr. Stileman visited Esperance and inspected the harbour. I am given to understand that he had no doubt as to what should be done. He had men there for some time measuring tides and taking records of currents, etc. The Esperance people have waited long and patiently for a pronouncement of the Government's intentions and they would like to know when Mr. Stileman's report will be available. They expect—and I do not think they will be disappointed—that Mr. Stileman's report will recommend, not a hotch-potch scheme, but a comprehensive one that can be constructed progressively and will cater for that part of the State for the next 40 or 50 years. They do not ask that effect be given to his recommendations immediately, but they do desire an early pronouncement because of the special features that call for consideration. The district is developing and the jetty facilities are almost as old as the Chief Secretary and I, but I am thankful to say that neither of us is as decrepit as the jetty. I trust that tardy justice will be done to the settlers in the Lake Grace-Kalgarin district and that a bold policy will be adopted to open up that portion of South Province for agricultural purposes. There are possibilities in that district so great that few people in Australia realise them.

HON. SIR WILLIAM LATHLAIN (Metropolitan) [4.3]: When I speak of money borrowed to carry on State trading concerns, I feel that my voice is like one crying in the wilderness. Under the Loan Bill it

is proposed to borrow £481,000 for State trading concerns. Mr. Miles has directed attention to the fact that £440,000 is for the State Shipping Service, but I wish to mention the other items provided for. They include State Quarries, £1,000, State Hotels and tourist resorts £15,000, and State Sawmills £25,000. One might well ask how long, how long, are we going to tolerate this borrowing to finance State trading concerns? Presently we shall be asked to consider the Appropriation Bill, in which a further amount of £66,000 is being re-appropriated, of which the Boya Quarry is to get £2,000, State Hotels £14,000, State Shipping Service £20,000, and State Sawmills £30,000. If those concerns were run on a commercial basis, they should provide for the whole of the improvements out of the profits made and there should be no need to borrow money to finance them. To borrow money for those concerns is illegitimate and immoral. The Auditor General, in his annual report, states that the total liability of the State trading concerns is £3,401,000; the profits made from the inception of State trading by certain concerns to the 30th June, 1927, were £334,176, and the losses made on the other totalled £1,295,000. In round figures they show a loss of just on a million of money and their total liability is £3,401,000. Even that does not include the interest owing on the Wyndham Meat Works; nor does it include interest on the £120,000 previously written off the State Implement Works, nor other losses that I shall not enumerate. It is time the House took some notice of this system of borrowing money to carry on State Hotels, State Quarries and such like activities. The State Quarries provide a shining example of borrowing money year after year to keep the concerns going. Since its inception the Boya quarry has made a loss of £4,773 and its total liability is £30,571. What is the use of carrying on concerns like that? I do not care whether they make a profit or not; they are a menace to the State as they prevent private people engaging in the business—people that could achieve successful results in the interests of the whole of the community and not merely one section of it. We are using loan money to improve State hotels. Surely, if the State desires to run hotels, the least it can do is to provide for all the improvements and extensions necessary out of the profits made! Any private individual running a hotel

would have to do that. The evil of State trading is that the profits are taken into consolidated revenue in order to swell the State banking account, and the profits cannot be regarded as legitimate because the total indebtedness is not shown in the balance sheet as a commercial firm would have to show it. I enter a strong protest against further borrowing to bolster up State trading concerns. When the Boya quarry receives the amount of £2,000 to be re-appropriated in the Appropriation Bill and another £1,000 under this measure, the total liability will be roughly £34,000 to carry on a concern that since its inception has entailed a loss of £4,773. I shall be glad when some Government—I care not what brand of politics they profess—have pluck enough to discard every one of the trading concerns and permit private enterprise to carry on the business, as it is well able to do. The duty of the Government is to guide and govern and inspire the people and to give them all assistance possible to carry on their undertakings at a profit, not to sell beer, crack stones and make bricks. If people cannot carry on business at a profit, they have to go out of business. It is time the Government went out of the whole of the so-called enterprises in which they are engaged at present. If they did so, it would be a tremendous relief to the taxpayers, and I venture to say that the profit that would accrue to the Government in the way of royalties on timber, license fees, income tax, municipal rates and other revenue would provide sufficient funds for the upkeep of the whole of the hospitals in the State. It is time we entered an emphatic protest against borrowing money to carry on such undertakings. We ask people to lend us money and then start in business in opposition to them. It is the surplus wealth made in many of those businesses, outside the State certainly, that is borrowed and used for State enterprises. The money from London doubtless includes profits made by the shipping companies, and then we borrow it and start a shipping service in opposition to them.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [4.11]: On previous occasions I have introduced the Loan Bill two or three days previous to the close of the session and have been in a position to make a note of the suggestions and criticism offered by hon. members and secure

replies to their questions. On this occasion I am not so advantaged.

Hon. G. W. Miles: Why rush the closing of the session?

The CHIEF SECRETARY: If the hon. member and other members wish it, I am prepared to sit another fortnight, but the other House has completed its business and is waiting on us. I am not in a position to reply to all the criticism on this occasion. I can reply to one comment made by Sir William Lathlain. He referred to the inner workings of the Treasury and I wish to inform him that common sense can supply a reply to his statement that State hotels should not borrow money, but should utilise their own revenue for extensions and improvements. Surely the hon. member does not adopt that principle in his business! Probably he has erected a building at a cost of a couple of hundred thousand pounds, and I should be surprised to learn that the building has been erected out of the profits of the business. It is a good proposition to borrow money in order to erect buildings for State hotels. Provision is made for charging interest, and the whole of the profits go into revenue.

Hon. Sir Edward Wittenoom. Why go into the business at all?

The CHIEF SECRETARY: The Labour Party did not start the State hotels; they were started by the party with which the hon. member is associated.

Hon. V. Hamersley: The Labour Party were put in to rectify it.

The CHIEF SECRETARY: The schedule mentions State steamships, an item to which Mr. Miles referred. We have no State steamships now and I have repeatedly suggested to the Treasury that the term should not be used. The department is now known as the State Shipping Service. The £440,000 is not for a new ship.

Hon. G. W. Miles: Is it to write off the losses?

The CHIEF SECRETARY: A certain amount is provided towards the payment for the "Kybra" and "Koolinda," but the bulk of it is being provided in order to put the accounts of the State Shipping Service in order. In the first session when I addressed the House on the Appropriation Bill I said bogus balance sheets were being laid on the Table of the House, but they are in strict keeping with the Trading Concerns Act. During the war, the "Kangaroo" made tremendous profits amounting to £211,000.

Those profits were taken into revenue, but the service required an overdraft and had to pay interest at the rate of $6\frac{1}{2}$ or $6\frac{3}{4}$ per cent. on it. The "Kangaroo" had to be sent to England to be readjusted and for the purpose of refrigerating machinery being installed. In normal circumstances this readjustment would have cost only £30,000, but the installation of the machinery cost £190,000 and other alterations cost £20,000, making a total of £210,000.

Hon. G. W. Miles: That was over the estimate of the engineers.

The CHIEF SECRETARY: The original cost of the vessel was £140,000. In order to make provision for carrying 300 tons of frozen meat from Wyndham, an expenditure of £210,000 was incurred.

Hon. J. Nicholson: That made the meat very dear.

The CHIEF SECRETARY: The capitalisation of the "Kangaroo" as set out in the books was £359,000, and this we have reduced to £200,000.

Hon. G. W. Miles: She is not worth £50,000 to-day.

The CHIEF SECRETARY: Owing to the fact that the profit of £211,000 was paid into revenue, the State Shipping Service was not credited with any interest, and had to pay interest on the overdraft, instead of being credited with the interest that this money would have earned. Throughout the years, on this bogus capitalisation, interest and compound interest have been charged, with the result that the capitalisation became about £400,000 in excess of what it should have been. All this has been adjusted so as to bring the matter into line with the method adopted by shipping companies in making up their accounts. I had hoped to be in a position to make a full statement with the figures before me, but the Treasury had not prepared them up to Monday last. They desired to make the figures intelligible. The matter was submitted to me in the first instance, but owing to technicalities would not have been clearly understood if presented in that form, and I have not had time in which to prepare a statement myself. With regard to sinking fund and depreciation, sinking fund is not provided in private business in Australia.

Hon. G. W. Miles: Depreciation is charged.

The CHIEF SECRETARY: But not sinking fund, which is something separate, because such a fund makes provision for the repayment of loans. The "Kangaroo"

is paying not only sinking fund and interest, but also paying off the purchase money, which was to be repaid in 20 or 25 years' time.

Hon. Sir William Lathlain: Notwithstanding the profits, the total loss is over £400,000.

The CHIEF SECRETARY: That is the loss on paper. I went into the matter last week. There would be a small profit if the books were kept according to the proper system. They have been kept in accordance with the State Trading Concerns Act, and even went beyond that owing to the Treasury being desirous of handling the money. There is no other method of adjusting the matter except through Loan Suspense Account, unless the whole of the money be taken out of revenue, money to which the State Shipping Service is entitled.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1 to 6—agreed to.

First Schedule:

Hon. V. HAMERSLEY: The sum of £75,000 is set down for works at the Fremantle harbour. A surcharge of 15 per cent. has been levied on all goods passing through the harbour. That accumulation of money represents a large sum. I understand it has been earmarked for carrying out harbour improvements. It is an extraordinary thing that the money should not be made available to the Commissioners for this work. The people have provided the money, and yet they are to be charged interest upon a sum of £75,000 which is being borrowed for this particular purpose. Why should we borrow money to this extent when it has already been raised by other means?

The CHIEF SECRETARY: The hon. member has been misinformed. The surcharge was not imposed in order to make improvements to the harbour. It was a war-time tax, and we are still suffering from the effects of the war. It is proposed to carry out extensive works to the Fremantle harbour. The money will have to be borrowed and interest and sinking fund will have to be met. It is therefore necessary that this tax should continue.

Hon. J. J. HOLMES: We are told it is necessary to impose this surcharge because

of the improvements which have to be effected at Fremantle, and because these have to be paid for. This impost goes on right along the North-West coast. I think it is really 20 per cent. Say the wharfage on a particular item at Fremantle is 5s., this plus 20 per cent. makes a total of 6s. If the wharfage along the North-West coast is 10s., that, plus 20 per cent., makes a total of 12s. There can be no necessity for an additional impost for improvements in the North-West, because nothing is shown in the schedule regarding jetties there. Nearly three years have elapsed since the Roebourne jetty was blown away. The Minister for Works a few months ago showed great sympathy for the local residents, but nothing has been provided to cover the cost of erecting a new jetty. When we passed the amendment to the Land Act dealing with pastoral leases we provided that proximity to a railway or port had to be considered by the assessors, and the rental increased accordingly. All the people in this locality have paid an increased rental because they had Point Sampson in their immediate vicinity. The port has now gone, from the point of view of accessibility, but the pastoral lessees still have to pay the higher rate. There was no port at Onslow at the time the reassessments were made, and the lessees were assessed at the lower rate. Since then the Government have spent £200,000 on the jetty there. Onslow, therefore, obtained these facilities, but the people pay the lower rental, while those of Roebourne pay the higher rental without any facilities.

Hon. G. POTTER: I am glad to hear a country member recognising the value of Fremantle to Western Australia. The Fremantle Harbour Trust is becoming a taxing machine. The Commissioners in charge of the port have frequently requested that this surcharge should be abolished. They do not want it because they consider it is an unfair impost on trade and commerce.

Hon. J. M. Macfarlane: It is like the pilot and lighting dues.

Hon. G. POTTER: What is the use of having commissioners if they are not to be allowed to manage that important concern to the best advantage? It has been stated that until the shipowners reduce freights, this surcharge will remain. It was always my conception that the effects of the war were a Commonwealth matter. During the

war Western Australia gave a great deal to the Commonwealth. It is unfair to ask the people of Western Australia to carry this Commonwealth burden. Some persons say that the Fremantle surcharge should not be disturbed until the shipping companies reduce their freights. The shipping companies have already reduced their freights from the 1917 figures, but have had to go on paying the surcharge inward and outward. Recently the Press drew attention to the wonderful advantage Australia possesses in its wool production. The wool freight has been reduced by pretty well half—from $2\frac{1}{2}$ d. per lb. to $1\frac{1}{2}$ d. The freight on skins has been reduced from $2\frac{1}{4}$ d. to $1\frac{1}{2}$ d. The freight on general cargo has been reduced from 123s. per ton to 63s., that on wheat and flour from 120s. to about 35s., and that on fruit from 8s. per case to 3s. 6d. By reason of close and intensive competition, the various great maritime companies' charges must be reduced in order to secure business offering. The way has been shown, therefore, to the Government of the day to adopt the Harbour Trust Commissioners' recommendation to abolish the surcharge.

Hon. G. W. MILES: I wish to emphasise once more that the surcharge is an unjust tax on the people of Western Australia. It falls most heavily on people at outports. Ninety per cent. of the goods coming into Western Australia, that is to say, goods coming into Fremantle, bear the surcharge of 20 per cent. On goods transhipped from Fremantle to outports, however, there is a second surcharge of 20 per cent. at the outport. This anomaly should be adjusted by any Government having the interests of the people at heart. I have pointed this out to successive Ministers, but apparently my representations go in at one ear and out at the other.

Hon. J. J. HOLMES: What is to be done, or what is proposed to be done, regarding the Point Samson jetty?

The CHIEF SECRETARY: I cannot say. Had this Bill come down a couple of days earlier, I would have had the information available for the hon. member.

Hon. J. J. HOLMES: We are not in charge of the business of the House, but we are entitled to information.

The Chief Secretary: The hon. member could have got the information a fortnight ago, or at all events a week ago.

Hon. J. J. HOLMES: When Bills of this nature are put up, the Minister has supplied to him details as to all items. The present position may be evidence of the need for additional Ministers, so that business may be kept up to date. I hope the Chief Secretary will make a note of this matter, and in due course let me know what is proposed.

The CHIEF SECRETARY: If the hon. member asks for information regarding items in the schedule, I can supply it, but I cannot supply information with regard to two or three thousand items in the Public Works Department.

Item—Additions and improvements to jetties, tramways rolling stock in North-West, £15,000:

Hon. J. J. HOLMES: Is any part of this item allocated to the reconstruction of the Point Samson jetty?

The CHIEF SECRETARY: Point Samson is not included in the ports to which the item refers.

Item—Reconstruction of Canning-road, £80,000:

Hon. V. HAMERSLEY: I notice that the enormous sum of £80,000 is allocated to this work, and I understand that a big amount has already been spent on the road. Hon. members will recollect that a measure was passed enabling the Main Roads Board to take charge of certain main roads of the State. When the board began to operate, the Government of the day practically washed their hands—or so I understand—of responsibility for many other roads throughout the State. When the measure was passed, I understood that Loan moneys would be kept quite distinct for the work to be done in conjunction with the Federal Government, and that State funds would still be distributed amongst road boards. In that way the Government would have been able to give reasonable and helpful subsidies to the road boards, which would have been in a position to construct and maintain local roads and side roads. The Government have from time to time brought pressure to bear on road boards to increase their rates, threatening that the boards would not receive subsidies otherwise. Is the £120,000 spent on the Fremantle-road, Main Roads Board expenditure or State expenditure? Why have the Government ab-

solutely declined to grant any help towards the upkeep of one of the finest roads in the State, a road which is not incorporated with the Main Roads Board system? I refer to the direct road from Perth to Toodyay. That magnificent road has been neglected by the Government for years.

Hon. J. M. Macfarlane: It is a magnificent route, not a magnificent road.

Hon. V. HAMERSLEY: Many people have been driven off that road because of the effort of the Main Roads Board to divert traffic to the Perth-York road; but by the expenditure of a few shillings per chain the local road boards have done what they can to make the Toodyay-Perth road better than it was. Even to-day many people prefer using it to using that road on which the Main Roads Board have spent £6,000 per mile. Unfortunately trees are now growing in the ditches along the Toodyay-Perth road, particularly in the section controlled by the Greenmount Road Board, who have no interest whatever in the road, their attention being concentrated upon the York-Perth road. It is dreadful that a road used by many people for pleasure, a road connecting up important points, should be left high and dry without any State subsidy whatever. The road boards concerned have repeatedly approached the Minister for Works, who says that as the road has not been taken over by the Main Roads Board he can find no funds for it. There should be an earnest endeavour on the part of the Leader of this House to ensure something being done for the road in question. It is not in an extremely bad condition; many parts of it are to-day quite as good as any main road yet constructed. There is heavy traffic on the road, which is used by many settlers coming to town to do their business. It has been utterly neglected by the Government. I should be failing in my duty if I did not draw attention to this road, and I hope I shall get some sort of a promise that it will be attended to.

The CHIEF SECRETARY: According to the notes I have, the sum of £50,000 was authorised for this purpose last year. Roads that have to stand up to modern motor transport must be substantially constructed. Moreover, an alternative road to Fremantle is an absolute necessity. I admit that the cost of this road has been a surprise to me.

Item—State Hotels and Tourist Resorts, £15,000:

Hon. G. W. MILES: If the Government would only lease the State hotels, the public would get far better accommodation at those places, and in addition the Government would collect seven per cent. in dues on the liquor. Moreover, these hotels would be far better managed under private enterprise. At present they are not showing half the profit that they ought to show. If the Government were to lease them, there would be an aggregate of something like £20,000 ingoing, and the Government would get more in rent per annum than the total profit returned to-day. It would suit the local authorities too, for they would then get rates and taxes from the hotels.

Hon. V. HAMERSLEY: The Honorary Minister, who is in control of the State hotels, ought to be able to give us some explanation regarding them. The State hotel at Wongan Hills provides an instance of the fraud and delusion practised on the community when the State goes in for this kind of enterprise. Because the State hotel at Wongan Hills has nothing like the necessary accommodation, business is driven away from a deserving centre. The Government simply say, "We have not the money with which to improve the accommodation at that hotel." But the Government do not permit private licensees to put up such a reply to the demands of the Licensing Board. People wishing to stay at Wongan Hills to do business, cannot get a room there and so they go on to Goomalling, where there is a private hotel. A serious wrong can be done to a township when the Government refuse to provide the necessary accommodation at the State hotel, or alternatively to allow private enterprise to provide it. I should like the Honorary Minister to give us an indication of what it is intended to do about increasing the accommodation at the Wongan Hills hotel.

The HONORARY MINISTER: The accommodation at the Wongan Hills hotel is limited, but so far as it goes it is not excelled anywhere in the State. Mr. Miles said that we should get better management if the State hotels were under private enterprise. I deny that there is available in the State better accommodation and service than is obtainable at the State hotels. As for the Won-

gan Hills hotel, one could eat his breakfast in the lavatory there.

Hon. V. Hamersley: Oh, draw it mild.

Hon. G. W. Miles: But are you going to increase the accommodation?

The HONORARY MINISTER: That is quite another matter. The accommodation there is limited.

Hon. V. Hamersley: And so it is driving away business from that centre.

The HONORARY MINISTER: I do not think so. The hotel at Wongan Hills is a home from home institution. I agree that additional accommodation is required.

Hon. V. Hamersley: Are you going to provide it?

The HONORARY MINISTER: I succeeded in getting £12,000 last year for additions to the Corrigin hotel, and I hope to be successful some day in securing additional accommodation for the Wongan Hills hotel. But when there is so much money to be found for hospitals and charitable institutions, I have not a very good case in going to the Treasurer for State hotels.

Hon. G. W. Miles: Why not lease them?

The HONORARY MINISTER: I am prepared to admit that if they were run by private enterprise, they would show a bigger profit; but they would not be run nearly so well as they are to-day. I will do what I can to secure additional accommodation at the Wongan Hills hotel, as I did for the Corrigin hotel.

First schedule put and passed.

Second schedule.

Item—Urgent minor work throughout the North-West, £15,000:

Hon. G. W. MILES: Will the Minister explain what this comprises and why only £3,000 odd is to be spent?

The CHIEF SECRETARY: I have no explanation. It is under the heading of public buildings. At one time it was the custom to itemise the expenditure on public buildings, but now only the lump is shown.

Second schedule put and passed.

Third Schedule.

Item—Agricultural group settlement and migration, £466,199 0s. 11d.:

Hon. H. STEWART: This would be a good opportunity for the Chief Secretary

to tell us why 1½ millions was authorised for group settlement last year and only £466,000 spent. The Minister might give us some information in regard to the progress of group settlement during the last 12 months.

The CHIEF SECRETARY: That sum of money is to be reappropriated.

Hon. H. Stewart: I mentioned the matter so that you might give us some information regarding the expenditure during the last 12 months.

The CHIEF SECRETARY: The hon. member will realise that it is impossible for me to supply straightaway the information he desires.

Hon. J. EWING: I recognise it is rather a large order to expect the Chief Secretary at a moment's notice to supply the information asked for. The Minister is at a disadvantage, seeing that we are within a few hours of the close of the session. At the same time I would like, if possible, to have some information at a later stage of the sitting in regard to group settlements. I would like to know the policy of the Government in this respect. I have been amongst the groups lately and inspected certain farms that it is proposed shall be abandoned. I hope the closest watch will be kept on the scheme by those who are administering it, a closer watch in fact than has been observed up to date. Many people are being put off their holdings who should never be put off. I have seen pastures that are a credit to the State, and these pastures have been grown on what was regarded as inferior land. From inquiries I made amongst the settlers who are cultivating and improving this class of land and growing subterranean clover, I gathered that many of them were quite satisfied to remain on their blocks on which they had good hopes of being successful. The attention of the lately appointed board should also be drawn to the fact that many of the occupants of the blocks are desirous of being permitted to remain on those blocks. I trust that my few remarks will be put before the Minister in charge of group settlement.

The CHIEF SECRETARY: No doubt the hon. member is aware that the total amount for agriculture and group settlement in the original loan schedule was £1,500,000. The whole of that has been spent with the exception of £466,199, which amount has been reappropriated

for future expenditure on group settlement and migration. It is a very big contract that Mr. Ewing has asked me to fulfil by to-night. This is a matter that might have been referred to a week or so ago, unless, of course, there has been a sudden development such as discontent amongst the settlers. That, however, would not be a novelty. I do not consider that the matter is so urgent that the business of the session should be held up at this stage so that the information sought might be supplied. The hon. member has not submitted any information about turmoil down there.

Hon. J. Ewing: I have never said there was turmoil down there.

The CHIEF SECRETARY: The matter could easily have been discussed some days ago instead of leaving it to the last hours of the session, when it is not possible for me to comply with the request.

Hon. J. EWING: It is not my desire to embarrass the Leader of the House in any way, but I do express the hope that he will bring my remarks under the notice of the Minister for Lands, especially what I have said with regard to the desire of those people who wish to remain on their blocks. Some discontent does exist and that should be looked into by the board and by the Minister. Of course, I may be wrongly informed, but my remarks mostly were based on what I saw myself.

The CHIEF SECRETARY: As I have said before, all criticism in this House, good, bad or indifferent, and every suggestion that has been made in this House is forwarded on to the responsible Minister. No exception at all is made. In every case I endeavour to furnish a reply.

Third Schedule—agreed to.

Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Read a third time and passed.

BILL—METROPOLITAN TOWN PLANNING COMMISSION.

Second Reading.

HON. J. W. HICKEY (Honorary Minister—Central) [5.10] in moving the second reading said: The Bill substantially follows the lines of the Act now in operation in

Victoria. The object is to set up a Commission similar to that appointed in Victoria two or three years ago. The Commission there has submitted two reports. The Bill provides for the appointment of a Commission to arrange a town planning scheme for the metropolitan area. In the schedule of the Bill will be found the districts to be covered and the local authorities who will be interested. The Commission will consist of eight members, one being the mayor or a councillor of the city of Perth nominated by the City Council. Then there will be three members, of whom one shall be nominated by each of the three groups of local authorities specified in the Second Schedule, and who shall be the mayor or a councillor of the municipality, the council whereof is included in the group by which he is nominated, or a member of the road board included in the group by which he is nominated; three members appointed by reason of their respective qualifications in the technical and professional matters to be dealt with or investigated by the Commission. In addition, the city engineer himself will be a member of the Commission. In the event of the failure of any local authority to nominate a member as set out in the Bill, the Governor may make the necessary appointment. The cost of the work is limited. The Bill is presented at the request of the local authorities who advised the Minister for Works that they anticipated a lot of the work would be undertaken in an honorary capacity. The total expenditure under the Bill during its operation will not exceed £3,500. The object is merely to allow the Commission to frame the scheme. When the Victorian Commission was set up the Government limited the expenditure to £7,500, but since then it has been increased to £15,000. Of course, they have a much bigger problem to tackle in Melbourne. The proposed Commission will not be a permanent one. That aspect is dealt with in another Bill which has been referred to a select committee by another place. This particular Bill sets up a Commission that will not be a permanent body but will be appointed merely to arrange a plan for the metropolitan area, and that plan will act as a guide for the local authorities when they are dealing with the question. Of the £3,500 it is provided that one-fourth shall be contributed from Consolidated Revenue, and three-fourths is to be drawn from the local authorities in proportion to the population

of the district, the amount to be contributed by instalments as prescribed. The Bill will come into operation as soon as it receives assent, but the other general Bill, now in the hands of a select committee, will not come into force until it is proclaimed. I move—

That the Bill be now read a second time.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [5.15]: I support the second reading of the Bill because it is most essential that some authority should be empowered to commence immediately to finalise the several schemes that various municipalities have in view. There is a scheme to widen King's Park-road and the Subiaco Municipal Council desire to widen Thomas-street and Ferdinand-street. That would make an effective drive such as they have in Melbourne, where St. Kilda-road is such a fine avenue. Nothing can be done until a commission such as that contemplated in the Bill is set up. Power will be given to resume land. Many instances could be quoted showing that when the City Council desired to embark upon schemes, it was found that either the expense was too great or that the difficulties in the way of land resumption made it impossible to give effect to the proposals. The commission to be set up under the provisions of the Bill will have power to deal with those matters and to prepare a complete scheme of development, not only for Perth but for the municipalities in the metropolitan area.

HON. J. NICHOLSON (Metropolitan) [5.17]: I also support the second reading of the Bill, which I welcome as a much needed piece of legislation. The Honorary Minister correctly stated that the Bill was long overdue. It will help to achieve that which many people have been striving for over a long period of years. Those people have observed with deep concern the absence of any regularity or properly devised scheme in connection with the planning of our city.

Hon. Sir William Lathlain: And the suburbs.

Hon. J. NICHOLSON: Yes, I refer to all the areas covered by the schedules to the Bill. It is essential in the interests of the residents of the metropolitan and other areas that a carefully prepared plan shall be formulated to govern the expansion that is bound to take place in the

various localities. We have examples that can be quoted from various parts of the world, and members of the Town Planning Association, who have taken such a deep interest in this work, have not only informed themselves regarding the progress made elsewhere, but have, in some instances, visited various centres in other parts of the world, and have acquired first-hand knowledge that has been placed at the disposal of all interested. Those people have been agitating for legislation of this description for a long time, and I hope the House will not hesitate to extend support to this much-needed legislation.

HON. J. EWING (South-West) [5.19]: I asked the Honorary Minister by way of interjection how much the Government were to contribute towards the scheme and I find from the Bill that it will represent one-quarter of the expenditure. I congratulate the Government upon introducing the Bill. For many years past certain individuals have been working assiduously in an honorary capacity towards this end. The Mitchell Government intended to introduce the Bill, but did not do so, much to my regret. The Bill has been drafted for a long time by the Town Planning Association and I am glad that the Government of the day have seen fit to place the legislation before Parliament. I believe the commission to be appointed will be a satisfactory one. At the same time there are centres outside the metropolitan-suburban area to which such a commission could well give attention.

Hon. J. Nicholson: They can be brought under the provisions of the Bill.

Hon. J. EWING: I hope the commission will be able to travel about and report on town planning in other parts of the State. I would not like the impression to be gained that this is a measure dealing purely with the metropolitan area. It should extend beyond that. The amount of £3,500, which is to cover a period of three years, is a small amount to set aside for this work. It will hardly cover travelling expenses if the members of the commission go outside the metropolitan area. I hope that if necessary the Government will be prepared to loosen their purse strings so that the commission may deal with their work satisfactorily.

Question put and passed.

Bill read a second time.

In Committee.

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

Third Reading.

Read a third time and passed.

BILL—MEEKATHARRA-WILUNA RAILWAY.

Second Reading.

Debate resumed from the 7th December.

HON. G. A. KEMPTON (Central) [5.27]:

Since the Bill was first presented to the House, the general aspect of the whole question has changed to a great extent. At the outset the idea was that it was rather a battle of routes than anything else. Now the position has been narrowed down to a matter of demonstrating to hon. members that the Wiluna mine is a payable proposition and that the railway should be built. I have a lot of figures in connection with the routes that perhaps it would be wise for me to quote. I do not wish to hold up the business of the House for too long, because I know the sitting should close as soon as possible. I have a comparative table showing the freight to Wiluna over the proposed Meekatharra railway, and also over the Leonora and Sandstone routes. Most of these figures were given to the Advisory Board and were gone into very fully. Hon. members who have seen them must realise that they are accurate and convincing.

Hon. Sir William Lathlain: Do they all apply to routes starting from Fremantle?

Hon. G. A. KEMPTON: No. I will take the freight on consignments of 1,000 tons over the respective routes:—

—	Geraldton-Sandstone Rate.	Geraldton-Meekatharra Rate.	Fremantle-Leonora Rate.
Special—grain ...	s. d. 24 8	s. d. 25 0	s. d. 31 0
Class A. ...	40 4	41 7	60 2
Class B. ...	55 10	57 7	82 8
Class C. ...	82 0	84 7	122 2
1st class rate ...	134 2	138 1	198 11
2nd class ...	170 0	181 0	254 2
3rd class ...	217 2	223 8	313 11
Spirits ...	238 11	245 10	345 4
Crude oil ...	82 0	84 7	122 2

Hon. Sir William Lathlain: How much is it on ginger ale?

Hon. G. A. KEMPTON: Taking 1,000 tons—

Hon. E. H. Harris: What, of spirits?

Hon. G. A. KEMPTON: No, a thousand tons at the different rates, namely, A, B, and C, and first, second and third class, the figures would be—

Geraldton-Sandstone.	Geraldton-Meekatharra.	Fremantle-Leonora.
£ 52,544	£ 54,095	£ 76,278

Passenger fares would work out as follows:—

—	Geraldton-Sandstone.	Geraldton-Meekatharra.	Fremantle-Leonora.
First-class ...	£ s. d. 8 10 2	£ s. d. 8 13 6	£ s. d. 6 3 0
Second-class ...	2 3 10	2 5 11	3 16 11

The distance from Perth whence the main stock is taken to Wiluna via Leonora is 726 miles and via Wongan Hills and Meekatharra, 705 miles, a difference in favour of the Meekatharra route of 21 miles. If the railway were constructed from Leonora instead of from Meekatharra it would prove a very unprofitable line, because much of the freight would be sent through Geraldton to Meekatharra and thence by motor transport to Wiluna.

Hon. E. H. Harris: That will happen now from Leonora.

Hon. G. A. KEMPTON: Only to a very small extent, because the distance to Wiluna via Meekatharra is less than that via Leonora.

Hon. E. H. Harris: Some of the goods from the Eastern States would go through Esperance.

Hon. G. A. KEMPTON: Some might, but not a large quantity. Machinery from the Eastern States would be sent through Geraldton and thence by train to Wiluna.

Hon. J. M. Macfarlane: Given the two railways, I believe machinery would go by the Esperance route.

Hon. G. A. KEMPTON: Apparently the mines are putting in Diesel engines and oil fuel will be used. Mr. Harris admitted that Geraldton was by far the best port for Wiluna.

Hon. E. H. Harris: I said that was the only good point.

Hon. G. A. KEMPTON: I know the hon. member admitted one good point. The cost of transporting crude oil to Wiluna from Geraldton via Sandstone, 421 miles, would be £4 2s. per ton; via Meekatharra, 441 miles, £4 4s. 7d. per ton; and from Fremantle via Leonora, 738 miles, £6 2s. 2d. per ton, the difference in favour of Geraldton being £2 0s. 2d. via Sandstone and £1 17s. 7d. via Meekatharra. The State Shipping Service is already delivering a lot of bulk oil at Geraldton. A large quantity is used for fuel purposes and the Vacuum Oil Company and other oil companies have taken up land at Geraldton where bulk stores are being erected. Besides, Geraldton is the nearer port to the oil producing countries of Sumatra and Borneo, whence our supplies are obtained, so the comparison is all in favour of Geraldton. It has been suggested that supplies of coal might be needed on the Wiluna mines. It is not likely that coal will be used because there is an almost inexhaustible supply of firewood and mining timber in the forests between Wiluna and Meekatharra. In the event of coal being required, however, there would still be an advantage in sending it the whole distance by railway from Collie via Wongan Hills line. It has been stated that the railage on coal from Collie would be in favour of the Leonora route, given as 785 miles as compared with the distance via Meekatharra, said to be 836 miles, the respective rates being 41s. 5d. against 43s. 6d., an alleged difference in favour of Leonora of 2s. 1d. per ton. Those figures require some examination, as the authorities give the route via Leonora as 850 miles, not 785 miles.

Hon. E. H. Harris: Who are the authorities?

Hon. G. A. KEMPTON: The railway authorities, and no one is able to speak so well on the question of distances. They give the railage for the 850 miles via Leonora as 44s. 1d. compared with the railage for the 839 miles via Meekatharra as 43s. 8d., a difference of 5d. per ton in favour of Meekatharra.

Hon. H. Seddon: How is the mileage arrived at?

Hon. G. A. KEMPTON: I have not the figures before me at the moment, but I believe they are quite correct.

Hon. E. H. Harris: Are you quoting from the railway guide?

Hon. G. A. KEMPTON: Yes, and also from information obtained from the railway

authorities. The railage on coal has been very carefully investigated because it was thought that coal could be transported more cheaply via Leonora than via Meekatharra.

Hon. J. Ewing: Do you calculate on the coal going to Geraldton by sea?

Hon. G. A. KEMPTON: No, that would entail too much handling. At present coal bores are being put down at Eradu and Irwin and very good coal has been found at Eradu. If the Eradu deposits were developed, a very small railage charge would be involved to convey the coal to Wiluna.

Hon. J. Ewing: Have they proved the Eradu coal?

Hon. A. Burvill: What would be the distance?

Hon. G. A. KEMPTON: About 400 as against 850 miles. I have a great many figures that support the adoption of the Meekatharra route, but the discussion on this Bill has centred on the question of obtaining a satisfactory extraction from the Wiluna ore rather than on the question of the railway route. Wiluna is certainly in the hinterland of Geraldton, and it is recognised that the trade of any district should go to its natural port. If members study the figures they will find that Leonora is 100 miles nearer to Geraldton than it is to Fremantle so that is strong argument in favour of the route proposed for the railway. In the matter of freights and fares the advantage certainly lies with Geraldton. The cost of building the line is an important one. The distance from Meekatharra to Wiluna is 105 miles and at an estimated cost of £3,000 per mile the railway would cost £315,000. The distance from Leonora to Wiluna is given as 180 miles, but when I went through by motor car the other day the speedometer registered 203 miles. I am satisfied that the cost of constructing a line on that route would be much greater than on the Meekatharra route. Probably it would be £4,000 per mile because of the rugged nature of the country and the engineering difficulties to be overcome. Even if we take the cost at only £3,000 per mile, the 200 miles would entail an expenditure of £600,000. Reference has been made to the matter of centralisation. Surely we have had enough of centralisation in this State! At Fremantle we have a congested port. At Geraldton thousands of pounds are being spent and probably half a million in all will be spent to improve the port. If we are going to have centralisation and send the trade of the hinterland to other than the

geographical port, why spend more money on the Geraldton harbour? The back loading is an important factor when considering any railway proposal. Now that the railway has been built from Meekatharra to Horseshoe to serve the manganese company, trucks laden with machinery, oil, and other goods for Wiluna could, after discharging their loads, run back 105 miles to Meekatharra and thence to Horseshoe to be loaded with manganese for Geraldton, 360 miles away.

Hon. H. Seddon: Would you do that with oil trucks?

Hon. G. A. KEMPTON: It depends on how the oil is packed. All this back loading from Meekatharra to Geraldton would bring profit to the railways. Our railways are often not too profitable because there is no back loading. In all probability at least 50 ships will come into Geraldton and load manganese. The matter of grades has been referred to. I think Mr. Harris mentioned that the grades were very bad on the line running from Geraldton to Meekatharra, but were very good on the line running from Fremantle to Leonora.

Hon. E. H. Harris: I did not mention grades.

Hon. G. A. KEMPTON: Perhaps Mr. Seddon did.

Hon. E. H. Harris: No, he did not.

Hon. G. A. KEMPTON: It was stated in the "Kalgoorlie Miner" that Mr. Harris had said that the grade on the Geraldton-Meekatharra line was one in forty and on the Perth-Leonora one in sixty.

Hon. E. H. Harris: It is one in fifty from Mullewa.

Hon. G. A. KEMPTON: It is one in forty between Midland Junction and Chidlaws. The only place where the grade is bad between Geraldton and Wiluna is in the small portion from Ardingley to Mullewa. Beyond that the grade is good. The grade between Mullewa and Wiluna is practically the same as that between Northam and Leonora. If the railway were built from Leonora to the mine, there would be all the expense of making cuttings when passing through the rugged country the other side of Leonora, and of erecting costly bridges to carry the train over the salt lakes.

Hon. V. Hamersley: If the mine is a failure, will the country be any good?

Hon. G. A. KEMPTON: Mr. Stewart went into the matter of values, and I was very interested in his remarks, as well as in those of Mr. Seddon in reply.

Hon. H. Stewart: I did not question the values quoted by the State Mining Engineer. I accepted them.

Hon. G. A. KEMPTON: I am pleased to hear that. I thought the hon. member had suggested that the treatment of the ore bodies in the Wiluna mine would be practically impossible. He mentioned places like Tasmania and other parts of the world where it was very difficult to treat ore bodies.

Hon. J. Stewart: I did not call into question the value of the ore reserves in the mine, but the treatment has not yet been finalised.

Hon. G. A. KEMPTON: It has been finalised as it affects Wiluna itself. There are two or three different treatments. Mr. Seddon showed that there are three treatments that are satisfactory. All the company need to do is to find which of the three is the most economical. They are already treating the ore quite successfully.

Hon. A. Stewart: On a 75 per cent. extraction.

Hon. G. A. KEMPTON: When Sir James Mitchell was Premier, he visited the mine and promised, if the company could prove to the Government that they could successfully treat these huge deposits, a railway would be built to assist them.

Hon. J. M. Macfarlane: And profitably treat them, I hope.

Hon. G. A. KEMPTON: The present Premier made the same promise. The Wiluna Gold Mines Ltd. have spent a great deal of money on the concern.

Hon. H. Stewart: How much?

Hon. G. A. KEMPTON: Pretty well £60,000.

Hon. V. Hamersley: Was that borrowed from the Government?

Hon. J. Ewing: Surely they spent more than that.

Hon. G. A. KEMPTON: In was their own money.

Hon. H. Stewart: Was it not the arrangement with the Mitchell Government that the company should spend between £250,000 and £300,000?

Hon. G. A. KEMPTON: I believe that is so. I was in error in stating the company spent £60,000. The Chief Secretary will probably give the exact figures. The Government were invited by the company to send an expert to the mine to determine whether it could be successfully and profitably worked. They

have now fulfilled their part of the bargain, and expect the Government to carry out theirs. This the Government are willing to do. In another place the whole matter was gone into, and the Bill was passed without a division. Members there were satisfied that the company had fulfilled their part of the contract. When Mr. Holmes was speaking on the Fremantle harbour, he expressed the opinion that we must be guided by our experts. In this case we are being guided by our expert, Mr. Montgomery. Now that the company have played their part, the Government should carry out their share of the contract. The summary contained in Mr. Montgomery's report makes interesting reading. He was sent up to Wiluna to determine whether the mine could be successfully and profitably worked, upon which depended whether or not the railway would be built. He says—

The Wiluna Mines Limited's proposition has now been well proved.

There are the words of the Government expert. He is a conservative man and thoroughly honourable, and one in whom we put great trust.

Hon. E. H. Gray: Are all conservative men honourable?

Hon. G. A. KEMPTON: It is a good thing to know that the State Mining Engineer is a conservative man. If he had been inclined to be other than conservative, he might have made rash statements, but this cannot be said of Mr. Montgomery. The summary of the report continues—

The lodes are long and wide. They have provided 340,711 tons of ore from above the 100 feet level, returning £565,604 worth of gold, and it is now proved that good ore extends beyond the limits of the older workings, so that there is strong probability that the output from the first 100 feet will be not less than 400,000 tons. The work at 140 feet, 200 feet, and 290 feet levels has shown that the lodes maintain size and value similar to those above the 100 feet level, leading to a very reasonable expectation of a like amount and value of ore being obtainable from each 100 feet in depth down to 300 feet, while the diamond drill boring which has been done gives good grounds for believing that the size and value will continue much the same for another 500 feet in depth. There is no visible geological reason why they should not continue to like depths as the Kalgoorlie lodes, and have a similar life of not less than, say, 25 years. Other mines at Wiluna, not at present working, have produced to end of 1926, a further amount of 197,974 tons of ore, returning 122,065 fine ounces of gold of value £518,133 bringing the total production of the

field to 538,685 tons of ore returning 225,220 ounces of fine gold, of value £1,083,737, showing that the company's mines are not by any means the only ones in the district, and that if the field be revived there is great promise that a further large production of gold will come from leases other than those of the Wiluna Mines Limited.

Some member said that the Wiluna mine was the only one in the district, whereas the foregoing remarks show that there are other mines likely to turn out well. The summary goes on to prove that the Wiluna mine itself is a good one, and closes with this significant paragraph—

In my opinion the prospects of the Wiluna field urgently demand very early construction of a railway to it, the earlier the better, and there is a very good prospect that the line will make a substantial improvement in railway revenue and be profitable to the State.

Hon. Sir William Lathlain: Do you advocate the construction of the railway by contract?

Hon. G. A. KEMPTON: I have always been in favour of the contract system.

Hon. J. J. Holmes: A railway at any price would suit you.

Hon. G. A. KEMPTON: Probably I am in the same boat as the hon. member with regard to the Fremantle harbour.

Hon. H. Stewart: You have not property on both sides of the route of the line, have you?

Hon. G. A. KEMPTON: It has been clearly demonstrated that the Wiluna mine is a good one, and that there are other mines in the district that should also turn out well. The time has come when the railway should be built. Surely we are not going to temporise and fear to undertake those things we have promised to carry out. The late Lord Forrest was perfectly willing to instal the Coolgardie Water Scheme, and to go in for other big works. After making a definite promise, are we going to fall down on it? I hope the House will pass the second reading of the Bill. I am sure the time will come when Wiluna will not only be a Golden Mile, but probably equivalent to two Golden Miles. I have talked with mining men at Wiluna, those who are not particularly connected with the mine, and they have indicated that they think very highly of it. The Wiluna Company have a mile and a quarter of leases. The lodes, which are of equal value vary in width between 20 and 40 feet. The local people have not the slightest doubt that within a very short

time there will be 800 men working on the main mine. This will mean a population in Wiluna of between 4,000 and 5,000. I have much pleasure in supporting the second reading of the Bill.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [6.1]: The opposition to this Bill centres around the question whether there can be profitable metallurgical treatment of ores from the mines at Wiluna. Mr. Seddon, in his address, dealt ably and convincingly with this aspect of the question. His speech particularly interested me, as I had spent some time during the week listening to an explanation of the matter by the State Mining Engineer. Mr. Seddon's illustration coincided exactly with what Mr. Montgomery had told me. Some hon. members have doubts as to whether the ore can be successfully treated. The State Mining Engineer asked me to refer these members to his report—page 14, paragraph 4. and pages 5 and 6 and pages 31 to 32—on metallurgical treatment. He has furnished me with a further statement in order to elucidate the position. This further statement reads—

The alleged refractoriness of the ore was largely an excuse for poor results from inadequate treatment. The oxidised ore worked in former years above the 100 feet level was not "refractory" in the usual meaning of that term as applied to gold-bearing ores, for it did not contain any mineral which interfered chemically with the extraction of the gold. The presence of antimony was blamed for poor gold extractions (see page 31 of report, top of left-hand column), but later investigations have found so little antimony as to be of no consequence. Later successful treatment of the tailing left by the earlier workings has shown that the want of success in the treatment was because the ore is now known to require to be ground to extremely fine powder (or slime), and that proper measures be taken to deal with the leaching difficulties arising from the clayey character of the oxidised ore, which often causes formation of very sticky slimes, not at all easy to filter. Most of the old tailing, however, has been treated in recent years at the State battery quite successfully as regards gold extraction. The refractory nature of the ore is mainly mythical as regards the oxidised ore close to surface of the character treated by the earlier workers. Below the oxidised zone, however, the ore contains a considerable amount of sulphides of iron and arsenic, as pyrite and arseno-pyrite, and undoubtedly is refractory in the sense in which metallurgists use that term. As things are, we have to rely on roasting the sulphides in a roasting furnace in order to remove the sulphur and arsenic and

make the burned residue fit for treatment by amalgamation and/or cyanidation to extract the gold. This brings us to the two processes which are under consideration for treatment of the Wiluna sulphide ore. The oxidised ore can be worked in with either to a small extent, but has mostly to be treated separately in a special part of the plant. It may be treated with the sulphide ores after these have been roasted. The treatment which has proved most successful with gold-bearing sulphide ores throughout Western Australia has been that known as "All-roasting," because the whole of the ore, after crushing by stamps or Ball mills, is put through a roasting furnace to have the sulphur and arsenic burned out of it, these elements being removed as gaseous oxides which go up the furnace chimneys. The roasted ore is next ground very finely in pans or tube mills with or without use of mercury to save some of the gold by amalgamation, and is then treated with cyanide solutions which dissolve the gold and allow it to be filtered from the earthy part of the ore. The clear solution runs through precipitating boxes in which the gold comes out on to the surface of metallic zinc shavings, and can be separated by rubbing and washing. The black gold slimes are then dried, more or less purified, and smelted into bars for sale to the Mint. In this treatment the whole of the ore raised from the mine has to be first crushed to fine sand, then roasted, then re-ground and cyanided. This process is thoroughly well tested on hundred of thousands of tons of ore, and is the standard Western Australian practice for sulphide ores. It has been tried at Wiluna on a working scale of 30 tons a day, and is quite satisfactory and successful. If no better process can be found, this one will at least give at Wiluna a process of ore-treatment quite as effective as is usual anywhere in our large mines. There is no need to fear that the gold values in the Wiluna sulphide ores cannot be satisfactorily extracted at a reasonably low cost, and if nothing better can be found, this treatment can be relied upon as quite up-to-date, reasonable in point of cost, and successful in making a high rate of extraction of the gold.

That is a very definite statement from the State Mining Engineer. He proceeds—

But advances in metallurgy are made by trying out modifications of existing processes so as to get improved results, and the methods of concentrating the values by flotation, which are used on millions of tons of ores of the base metals, such as lead, copper, and zinc ores, are giving great promise of success on gold-bearing sulphide ores as well. They have been tried out on a laboratory scale and on a miniature working scale at the Kalgoorlie School of Mines Experimental Laboratory, on a scale of 10 tons a day for some months at the Oroya-Links mill at Kalgoorlie, and for over a month at Wiluna on a working scale of 30 tons a day. (See S.M.E.'s report, page 31, for details of process). In the Kalgoorlie tests, both small and larger, the extraction has been improved until we can fairly rely on extracting the values from ore assaying,

say 16 dwt. of gold per ton so as to leave in the tailing not more than from 0.75 to 1.0 dwt. per ton, an amount which is regarded as quite good practice and satisfactory. In the earlier tests the extractions were less satisfactory, but experience in the use of the process has enabled really good results to be obtained consistently. In the Wiluna plant at the time of the State Mining Engineer's visit ore averaging an assay value of 36s. per short ton was giving tailing after treatment assaying 10s., but later work showed considerable improvement on this. It will be seen that the whole of the ore has to be crushed roughly and then tube-milled to fine slime, and that the whole of it has to pass through the flotation cells, but that once the concentrate is obtained only about one-tenth as much material has to be roasted and cyanided as in the case of the standard all-roasting process. This effects a great saving in the costs of roasting and cyaniding. The management of the Wiluna mines have been making very close comparison between the two alternative methods of treatment in order to ascertain which gives the more profitable outcome, taking everything into consideration, but it is not yet known to us which method they have actually decided upon for their main mill and treatment. The flotation method will not be used unless it shows more profitable results than the standard one, and if it is adopted it will be because the management have been convinced that it is an improvement on the usual Kalgoorlie method. At worst, however, the standard method is quite satisfactory and reliable. It was not used at all in the earlier work at Wiluna, because this was all on oxidised ore requiring no roasting. The methods of treatment of this class of material have also improved considerably during the years which have passed since the Wiluna mines were formerly worked.

The House may rest satisfied that the metallurgical treatment of the ore is not at all an experimental one, but fully tested and proved.

Sir William Lathlain has asked "for a very definite statement as to whether the Government are satisfied that the Wiluna ores that have been regarded as refractory can be treated satisfactorily," and the answer is in the affirmative.

The answer is also in the affirmative to his request "To be assured that the predictions of the mining experts regarding the future of the mine are of a satisfactory character."

Hon. Sir William Lathlain: I am satisfied now.

The CHIEF SECRETARY: Mr. Montgomery's notes show that there are two methods of treating the ore at Wiluna. One method is the "all roasting" which is used at Kalgoorlie and has been proved a success. It has long since gone beyond the experimental stage. The other method is the flotation process and it will be adopted if it is found more profitable than the Kalgoorlie method. The State Mining Engineer tells us, in the extracts I have

quoted, that the House may rest satisfied that the metallurgical treatment of the ore is not an experimental one, but has been "fully tested and proved." He is satisfied and the Government are satisfied that the Wiluna ores can be treated satisfactorily. Sir William Lathlain opened his speech in this strain—"We are asked to authorise the building of a line for the development of one particular mine." I would ask him to read the State Mining Engineer's Report, page 11, paragraph 2, showing that to the end of 1926 the production of the field has been:—From leases now held by Wiluna Gold Mines, Ltd., £565,604; from other mines at Wiluna, £518,133; total, £1,083,737. These figures show that nearly half of the total production of over a million pounds worth of gold from the district has been from mines other than those held by the company. There are a great number of mines in the district—so the State Mining Engineer assures me—which have had more or less production of gold, and all have suffered much from the very high costs of living and mining, and would be put into a much more favourable position for resumption of production if the district were connected with the railway system. That is what the State Mining Engineer tells me. Here is a further pessimistic utterance of Sir William Lathlain—

Ever since I have been in Western Australia I have come across many glowing reports regarding the probable production on a very large scale for the mines at Wiluna. Strange to say, these prognostications have never been fully realised.

It is clear from those words that there has been a general consensus of opinion that the district is a very valuable one, capable of large production, and it is not at all strange that this opinion has not yet been realised, as it was soon found that in its almost inaccessible position the costs of operations were too great to enable mines to be carried on successfully. It should be remembered that it is only within the last ten years, that motor transport has become commonly available to out-back places like Wiluna. Previously, travelling to and from this field to the nearest railway was a matter of two to four days by light vehicles, and up to a fortnight by heavy ones. It was in this period that most of the mines were tried and shut down. It has been a matter of much time and difficulty to find capital willing to give a

new trial on a competent scale to a discredited field such as this, and it surely speaks well for the prospects that they are such as to have persuaded a London company to have spent some £200,000 in the preliminary opening up of the mine, and that the shareholders are willing to find another £350,000 before they expect to get payable returns. Until they undertook the task it was not possible with only our local resources to attempt any serious re-opening of the field.

Hon. G. W. Miles: Have they spent £200,000?

The CHIEF SECRETARY: Mr. Kempton quoted £60,000, but that is incorrect according to the State Mining Engineer. They have spent £200,000, as I say, in the preliminary opening up, and are willing to spend another £350,000.

Hon. G. W. Miles: Have you any guarantee of their finding the other £350,000?

The CHIEF SECRETARY: We have no guarantee, but the Agent General's investigations have satisfied him.

Hon. H. Stewart: Have you had the advice of the present Agent General on the matter?

The CHIEF SECRETARY: Yes, we had a cablegram from him on or about the 30th June last. Mr. Harris, in speaking in favour of the Leonora route, emphasised the splendid pasture country between that centre and Wiluna, and showed that it is somewhat larger in extent than that between Wiluna and Meekatharra. It is larger in extent because the Leonora route is 70 miles longer. Let me remark that there is equally splendid pastoral country between Meekatharra and Wiluna, and that it has been occupied for many years. But this Bill is a mining proposition and not a pastoral proposition. Its main objective is the development of the Wiluna goldfields.

Hon. G. W. Miles: This line will serve the country 50 miles out from Wiluna east and northwards.

The CHIEF SECRETARY: Yes; and probably it will lead to further extension. The pastoral industry will help to make it a profitable undertaking; but as a pastoral undertaking, whether from Leonora or Meekatharra, the line would not be warranted. It is a goldfields railway that is proposed, and the proposal must be judged purely on that basis.

Sitting suspended from 6.15 to 7.30 p.m.

The CHIEF SECRETARY: Just before the tea adjournment I had stated that this was not a pastoral proposition but a mining railway, and I had dealt with the respective claims of Leonora and Meekatharra to the line. If the line were built from Leonora it would penalise the Wiluna mines for all time by an additional 300 miles of railway freights, which would be a crushing burden on the mining industry. The increased impost through the longer journey would mean from £2 12s. 9d. a ton under 1st class rates to £4 4s. 10d. a ton under 3rd class rates. To build this railway, for the purpose of assisting the mining industry at Wiluna and then to place such a burden upon that industry, would be folly of the most extreme form. If such a thing were done, there would soon be little for the railway to do, for the mines would merely struggle along as a result of the strain on their financial resources. It is just as well to know what those who are directly concerned in the success of the mine think about the business. They have already given evidence before the Advisory Board in favour of the Meekatharra route, but I have here a letter from Mr. H. E. Vail, the general manager, which puts the case clearly and forcibly. It is addressed to my colleague, Mr. Hickey, and I shall read a few extracts from it. Mr. Hickey is well acquainted with Wiluna and takes great interest in that district. He has been in communication with Mr. Vail on this subject and, writing from Wiluna on the 21st October last to Mr. Hickey, Mr. Vail stated—

I am general manager of the Wiluna gold mines, as well as one of the directors of the company, and at a board meeting held on the 12th October a resolution was passed to the effect that our mining interests at Wiluna would be best served by the railway from either Sandstone or Meekatharra, whichever the Advisory Board might recommend. If the Government were to continue the Leonora line they would penalise our costs of operating the mine for all time. The Leonora extension would cause all our construction machinery and operating stores to be hauled a distance of over 700 miles, whereas if we were connected with Geraldton, our natural port, the distance would be little more than half. We have already expended nearly £200,000 in developing our large low grade ore bodies, and it will be necessary to provide for an expenditure of a further £500,000 in plant equipment, shaft sinking and opening up working levels. This estimate is based on the expectation of

railing our machinery and stores from our nearest port, but if the extension is made from the Leonora line, a much greater sum will have to be provided, and as our ore is low grade, and must be treated on a very large scale to provide profits justifying capital outlay, it becomes less attractive for the investment of capital if we are unnecessarily burdened by being compelled to pay an additional £15,000 to £20,000 per year for the carriage of our operating stores over the longer distance by rail. This would be perpetual and in addition, the greatly increased cost of transporting thousands of tons of machinery and building material would be enormous.

Our development work has proved the existence of large bodies of ore. Our metallurgical research has demonstrated that a sufficient percentage of the gold can be extracted to provide satisfactory profits if we are not burdened with costs beyond our estimates based on the port of Geraldton and railway facilities from that centre. It is our intention to provide for handling 40,000 tons of ore per month. To do this we must employ a very large number of men, and the benefit of the successful operations of our undertaking will be of universal benefit to the State, and it should be the duty of all those directly or indirectly associated with mining who have the welfare of the State at heart, to assist in every way possible to provide for the treatment of these low-grade ore bodies at the very lowest cost.

The success of the Wiluna mines will inspire the raising of capital for investment in other mining ventures in Western Australia, and will do more, in my opinion, to revive the industry than any other means. A very important reason for the construction of the line to the nearest port is the probability that our power will be provided by the use of crude oil. The timber supplies near our mines are not plentiful, and would certainly be exhausted before the enormous tonnage of profitable ore in our mines has been treated. Crude oil railed from either Esperance or Fremantle would be altogether too expensive.

A very popular reason advanced for the extension of the Leonora line is that it would traverse aiferous country, and would be the means of reviving the now deserted mining towns on the line of this auriferous belt. I cannot accept this as sound reasoning. It is a well-known fact that to-day there are more deserted mining towns which are directly connected with railway facilities between Kalgoorlie and Leonora than there are between Leonora and Wiluna. The history of these deserted mining towns is well known, and they were not brought to this stage of desolation through the want of railway facilities, but because the payable ore bodies have been exhausted. Were there any mines worthy of development along the auriferous belt referred to they should be in the process of development at the present moment, and I doubt if any of those people who are so strongly urging the railway through that area would be willing to invest any money whatever in an endeavour to re-establish any of the abandoned mining properties. It would be pre-

posterous, in my opinion, to penalise the costs of treating ore at Wiluna on the remote possibility of reviving any of the derelict mines on the proposed Leonora route.

Another argument advanced is the assistance the railway would provide for the pastoralists between Leonora and Wiluna. While this is admitted, it must not be overlooked that all the country on the western side also is utilised for pastoral purposes, and just as deserving of railway facilities, and when a railway centre is established at Wiluna the pastoralists between Leonora and Wiluna will be very well served. While admitting the importance of the pastoral interests to the State, I contend that the operations of the Wiluna gold mines which will have an output of £60,000 to £80,000 per month, is of far greater importance to the State. The pastoral interests do not call for the employment of a very large number of men, whereas the operations of gold mining calls for the employment of a very large number of men, both directly and indirectly, and nearly the whole of the profits are distributed within the State.

There are many reasons which can be advanced in favour of connecting our property with its natural port, but no sound reason, so far as I am aware, has yet been advanced for connecting us with the port of Fremantle via Leonora.

That letter demolishes all the arguments which have been used in favour of the Leonora route, and it is not necessary to deal with this subject further at present. Mr. Harris drew attention to the absence of provision on the Estimates for the construction of the railway. The reason for this is that the Government are anxious to secure the consent of the Migration Commission to the line being built with cheap money under the Migration Agreement, and a proposal has already gone forward to that body in reference to the matter. No estimate has been made of the cost of the work, but the Advisory Board state, in paragraph 13 of their report, that "no engineering difficulties will be met with." Everyone who is acquainted with the country will endorse that statement. It was alleged by both Mr. Harris and Mr. Seddon that machinery and goods for the Wiluna mine would go from Fremantle instead of Geraldton, and that ships would not call in at Geraldton from overseas. It is quite true that since the advent of larger vessels Geraldton has been an unpopular port for shipping, not only on account of the depth of water, which is about 23 feet, but on account also of the range of tide levels that operates at times even in the summer season. But for six months of the year ships are calling

regularly at Geraldton from the Old Country to load wheat, and they would be only too glad of any cargo offering. Not only that, the manganese deposits at Peak Hill will soon be operating, and we shall have 48 ships of 5,000 tons arriving every year to take away the manganese ore. These vessels would be only too ready to offer specially low rates for the shipment of machinery and goods to Geraldton. I was discussing the question yesterday with a gentleman interested in the manganese deposits, and he showed me some cables which he had received from Mr. Teesdale, M.L.A., who is in England and who is acting for the Western Australian Manganese Company. These cables indicate the prospects of success for this company and I have been given permission to use them. I intend to quote a couple of the cables to show that when the company are firmly established, as, indeed, they seem to be now, and have been operating for a brief period, there will be abundant opportunities for the owners of the Wiluna mine to get the machinery and goods they require direct from the Old Country, whenever they consider it necessary. Those opportunities will be available because there will be a ship calling at Geraldton at least every 10 days. Here is a cable that was received by the W.A. Manganese Coy., of Perth, on the 21st November last—

Would you entertain proposal for converting our company into English company here, doubling present capital under very strong responsible London financial group auspices, who practically control manganese ore market in England, and recently were handling large Russian output. If you entertain this all capital required can be arranged at once for installation plant for immediate production of ore, shipping, marketing. Representation will also be undertaken by them in Europe.

On the 7th of this month another cable was received reading as follows:—

Am dealing with group highest financial standing. Reference Bank of England. Do not lose opportunity obviating any future scarcity capital. Group controls European manganese market.

I may inform hon. members that I was making inquiries regarding the number of vessels likely to come to Geraldton to pick up manganese. When I stated the object of my inquiries the gentleman interested in this company agreed to supply me with copies of a number of cables dealing with the financial operations of the company.

We are building at Geraldton a harbour which will cost £400,000, and that harbour should be completed soon after the railway has been constructed. When the harbour is finished the biggest ships doing trade with Australia will be able safely to come into the port of Geraldton. So there need be no fear that Geraldton will not be able to cater satisfactorily for the whole of the trade of Wiluna. This railway is warranted. The expenditure by the company and the results of that expenditure warrant it. They have spent £200,000—according to the State Mining Engineer—in opening up the mine, and they have 10 years' work in sight, and a strong probability of a life as long as the Kalgoorlie mines. And, not only is it warranted, but the State is under an obligation to build it. A solemn promise was given by the Mitchell Government that if the company fulfilled certain conditions and accomplished certain results the railway would be constructed. They have fulfilled those conditions and accomplished those results. Parliament never questioned the wisdom of the Mitchell Government in giving that pledge—a pledge which was endorsed by the present Administration. We hear a lot, from time to time, about the iniquity of repudiating contracts, but it would be nothing short of repudiation of a contract to turn down this proposal. And if we dishonoured our obligations it would create a very bad impression among the British investors who found the most of the £200,000 of capital that was put into the mines, and on whom we have to rely for loans raised in London for the development of the State. Sir James Mitchell, as Premier of Western Australia, wrote on 22nd September, 1923:—"When the Minister for Mines certifies that the development of the mine justifies the construction of a light line, Parliament will be asked to authorise the expenditure." On the 30th September, 1925, the present Government confirmed that undertaking. For four years the company has been proceeding vigorously with the development of the property. When I visited Wiluna last January over 100 men were employed at the mine. Now that they hold the certificate of the Minister for Mines that they have done all that was expected of them—that the development of the mine justifies the construction of a railway—it would be a gross breach of faith to turn down the company. Representa-

tives of the farmers in this House should assist in the passage of this Bill. They have had a fair deal from all Governments. An enormous amount of money has been spent on agricultural railways, and I have never known an instance in which such a railway was rejected. This is the first mining railway Bill of any magnitude that has come before Parliament for many years, and agricultural representatives have an opportunity of showing that they have not forgotten the fact that goldfields representatives have never offered any criticism on the construction of railways intended to serve the farming industry, but, on the other hand, have cheerfully accepted the decision of the Government that such railways were justified. On the case presented by the State Mining Engineer in his report; on the strength of his further assurances; on the ground that the company has carried out the compact it entered into with the Mitchell Ministry; and in view of the pledge given by two Governments—representing in the aggregate every political party in the State—this Bill should not only pass, but pass without a dissentient voice.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Authority to construct:

Hon. V. HAMERSLEY: I move an amendment—

That the following proviso be added to the clause:—"Provided that the construction of such railway shall be effected by private contract following on tenders being called for the construction thereof by advertisements in the leading newspapers of the State of Western Australia, and shall not be constructed by day labour."

Following on the appeal made by the Chief Secretary to members representing agricultural districts, I am quite ready to support Bills for the construction of mining railways. But I am only echoing the sentiments of many people when I say that probably any long length of railway could be constructed more cheaply by contract than by day labour. When first the forward movement in land settlement was made in this State, it was proposed that agricultural

railways to open up the country could best be built by men who understood the work. An offer was then made to the Government to construct 1,000 miles of railways for a million pounds. As to the line under consideration, there is one firm of contractors who already have their plant on the spot; I mean the firm that has been constructing the railway to the manganese deposits. They would be able to do this work more cheaply than could the Government, who would have to move their plant up to Meekatharra.

The CHIEF SECRETARY: Judging by the hon. member's remarks, there is only one firm of railway contractors in the State at present, namely the firm that has been building the Peak Hill-Meekatharra railway. If there were provision in the Bill for the calling of tenders, it would mean that this one company would have a monopoly, for it seems there is no other company in the State with the necessary equipment to tender for a job of this kind.

Hon. J. Nicholson: Why not invite tenders in the other States as well?

The CHIEF SECRETARY: To do that we would have to hang up the whole of the work.

Hon. J. M. MACFARLANE: I am not altogether convinced of the sincerity of the Minister when he says he believes there is only one company in the State who could undertake railway construction. I know some people who were connected with the Piawaning-Northwards line. They are waiting for contract work whenever the Government see fit to construct a new line by contract. Without advertising, one is unable to say who may be prepared to tender for the work. I am satisfied that day labour is not as cheap or as satisfactory or as quick as the contract system.

Hon. E. H. Gray: But better work is done by day labour.

Hon. J. M. MACFARLANE: Although the party in power are opposed to the contract system, I hope they will recognise that this House stands for that system, and that consequently they will give consideration to the amendment.

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

Ayes	..	..	..	12
Noes	..	..	..	6
				—
Majority for	..	..	..	6
				—

AYES.

Hon. C. F. Baxter	Hon. J. M. Macfarlane
Hon. A. Survill	Hon. G. W. Miles
Hon. V. Hamersley	Hon. J. Nicholson
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. A. Stephenson
Hon. Sir W. Lathlain	Hon. H. Stewart

(Teller.)

NOES.

Hon. J. R. Brown	Hon. J. W. Hickey
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. E. H. Gray	Hon. G. A. Kempton

(Teller.)

Amendment thus passed; the clause, as amended, agreed to.

Clauses 3-7, Schedule, Title, agreed to.

Bill reported with an amendment and the report adopted.

Third Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [8.2]: I move—

That the Bill be now read a third time.

HON. H. SEDDON (North-East) [8.3]: There is a point I should like to explain regarding certain figures quoted by Mr. Kempton. He gave the distances from Collie to Wiluna via the Meekatharra and the Leonora routes, and he queried the figures given by members from the eastern goldfields. Our figures were taken from the timetable and, for the purpose of getting the correct figures on record, I shall read them, as follows:—

Collie to Wiluna via Meekatharra.

	miles.	chains.
Collie to Narrogin	90	5
Narrogin to Spencer's Brook ..	101	57
Spencer's Brook to Northam ..	5	73
Norham to Mullewa	264	27
Mullewa to Cue	196	63
Cue to Meekatharra	71	59
Meekatharra to Wiluna	105	—
	835	44

Collie to Wiluna via Leonora.

	miles.	chains.
Collie to Narrogin	90	5
Narrogin to Merredin	135	46
Merredin to Karalee	100	55
Karalee to Kalgoorlie	106	—
Kalgoorlie to Leonora	160	73
Leonora to Wiluna	190	—
	783	19

We took particular care to compile the figures correctly, and it is only fair, since

they have been questioned, to have the details placed on record.

HON. G. A. KEMPTON (Central) [8.5]: The figures I gave were worked out in Geraldton with officials of the Railway Department. When Mr. Seddon was reading out the details, I noticed that there was a difference in the routes selected owing to there being several railways running from Collie to the eastern goldfields line. For the route I quoted I believe my figures were correct, though I have not had time to check them. If there has been any mistake on my part, I regret it.

Hon. J. Nicholson: But you have got the Bill through.

Hon. G. A. KEMPTON: That does not affect this point.

Question put and passed.

Bill read a third time and returned to the Assembly with an amendment.

BILL—STATE INSURANCE.*Second Reading—Negatived.*

Debate resumed from the 30th November.

HON. W. H. KITSON (West) [8.6]: The debate on this measure has disclosed considerable opposition to the establishment of a State Insurance Office. Several reasons have been advanced why the State should not embark on a business of that kind, and I am wondering whether the real reason has been disclosed. What are the facts? This is the only State in the Commonwealth where a Government Insurance Office has not been established, and I believe it is correct that wherever Government insurance offices have been established, they have been successful, perhaps more so in some parts than others, but nevertheless successful. I am advised that in Western Australia more than 60 private insurance companies are operating, and there is no competition between them in the rates charged for insurance business. During recent months the companies have increased their premiums on the class of business being transacted by the State office by 50 to 70 per cent., while the State office has continued on the old basis. It has occurred to me that while some members object to State insurance on the ground that it will mean the establishment

of another trading concern, holding as they do that insurance should be the prerogative of private individuals, that is not the sole reason for their objection. Experience has shown that wherever State insurance has been inaugurated it has been successful, not only in reducing premiums, but in increasing benefits and providing reserves, notwithstanding the keen competition from private companies.

Hon. Sir William Lathlain: You admit there is competition.

Hon. W. H. KITSON: Certainly there is competition between the private companies and State insurance offices. Perhaps the real reason for the objection to State insurance is that the private companies here would have to do as companies elsewhere have done, namely reduce their premiums and give increased benefits. It is purely a matter of £ s. d. with the private companies. I cannot find any other reason for the strong objection to State insurance. Mr. Potter advanced what I regarded as a very puerile reason against State insurance when he said, "Parliament has another and very wide duty to discharge on behalf of the citizens of the State, namely, that the majority of them should be protected from having foisted upon them any ideal which comes from the fantastic and exotic ideas of a certain small but noisy section of the community."

Hon. G. Potter: That is sound logic, is it not?

Hon. W. H. KITSON: It may be from the hon. member's point of view, but it is not from mine.

Hon. G. Potter: Then you think the public should have those things foisted on them.

Hon. W. H. KITSON: Did a small but noisy section of the community foist on the State the establishment of the office that has been running for the last 12 months?

Hon. G. Potter: Running illegally.

Hon. W. H. KITSON: Legally or illegally does not matter very much.

Hon. G. Potter: Ah, now we are getting it!

Hon. W. H. KITSON: Was it foisted on the community by a small but noisy section?

Hon. J. J. Holmes: Yes.

Hon. W. H. KITSON: What section was it?

Hon. G. W. Miles: Your section.

Hon. J. R. Brown: You are making all the row now.

Hon. W. H. KITSON: Was it a small but noisy section of the community that secured the establishment of State insurance in Queensland and Victoria?

Hon. G. Potter: We are legislating for Western Australia.

Hon. A. Burvill: Do not forget that we are part of a constitutional government.

Hon. W. H. KITSON: And apparently a very big part these days. If there is one line of business on which it is the duty of the Government to embark, it is insurance.

Hon. Sir William Lathlain: They told us the same thing in regard to fish shops.

Hon. W. H. KITSON: Experience, not only in Australia but in other countries where State insurance has been adopted, shows conclusively the necessity for its adoption here, if for no other reason, to prevent the exploitation of the misfortunes of the people.

Hon. J. Nicholson: Does not that apply to every department of life?

Hon. W. H. KITSON: Not in the same way.

Hon. J. Nicholson: Well, tell us in what way.

Hon. W. H. KITSON: If members are sincere in objecting to State insurance on the ground that it is a trading concern, they are adopting a very illogical stand when they advocate that the Government should take the necessary steps to insure the miners that are entitled to come under the third schedule of the Workers' Compensation Act.

Hon. C. F. Baxter: Is that an insurance risk?

Hon. W. H. KITSON: Yes.

Hon. C. F. Baxter: It is not.

Hon. W. H. KITSON: It shows that those members would debar the Government from establishing any trading concern that might show a profit, but would have them embark on trading concerns that must necessarily show a loss.

Hon. C. F. Baxter: What premium would be necessary to cover the risk on the miners?

Hon. W. H. KITSON: Members who adopt that attitude are quite illogical. If it is sound to argue that the State Government shall not embark on any State trading concern, it is equally sound to say they shall not embark on insurance to cover miners

entitled to compensation under the third schedule of the Act.

Hon. J. J. Holmes: The House will very probably accept your advice.

Hon. W. H. KITSON: While there may be a past liability, there is also a present liability. The companies operating in this State have refused to do business of that nature.

Hon. G. Potter: On account of the unascertainable future liability.

Hon. W. H. KITSON: And for other reasons. My arguments in favour of State insurance are that the misfortunes of the individual or the community should not be exploited for private or commercial gain. This is the only State in the Commonwealth where Government insurance is not established in some way or other. This shows that the minds of members of this Chamber are either conservative—that is a very mild expression to use—or they have this bugbear of State trading concerns so much in their minds that they cannot see beyond it.

Hon. C. F. Baxter: We know the results in the other parts of Australia.

Hon. W. H. KITSON: The operations of State insurance there have saved thousands of pounds to the community.

Hon. H. A. Stephenson: That has not been proved in this House.

Hon. W. H. KITSON: It has been proved on more than one occasion in both Houses. I honestly believe that if there is one class of business in which the Government are justified in engaging it is State insurance. I ask members what the position will be if they refuse to allow the Government to establish a State Insurance Office to cover men who are afflicted with miners' disease.

Hon. G. W. Miles: Let the Government pension them.

Hon. W. H. KITSON: Many of them have been accepted by the State Insurance Office as a risk, and as men who will have to be looked after one way or the other whether by that office or otherwise.

Hon. J. M. Macfarlane: The House would agree to that if you were to bring it forward.

Hon. W. H. KITSON: There is no evidence on the part of members that they would agree to it.

Hon. G. Potter: We have said nothing else.

Hon. W. H. KITSON: Members last year gave certain promises as to what they would

do with regard to labour exchanges, but they have failed to keep their promise.

Hon. J. J. Holmes: We have profited by experience.

Hon. W. H. KITSON: They have repudiated their undertaking. Member after member said what he would do if a Bill was brought down in a different form. When they were given the opportunity to carry out their assurances, they went back upon them, and now they talk about the sanctity of contracts. I trust the Bill will pass the second reading. If members are not satisfied with it when it reaches the Committee stage, they can amend it in any direction they think fit.

HON. J. CORNELL (South) [8.20]: When the State Insurance Bill was last before this Chamber, I went to considerable trouble to prepare a speech setting out the case for State insurance. I am not going to recapitulate what I said then, but my remarks are in print and they stand as solid to-day as they did then. I cannot let this Bill pass without offering some remarks in support of it. I believe in State insurance. It has been said that all kinds of dire calamities will happen if this undertaking receives the sanction of Parliament, that the State will become bankrupt, and that all sorts of evils will follow in its train. As I said 12 months ago exactly similar arguments were introduced in season and out of season against the establishment of the Commonwealth Bank. The credit of the country and its people stands higher to-day than ever, and the bank has developed into the leading institution of its kind in Australia, without which the Commonwealth could not have financed its share of the war. In this State 66 insurance companies are operating. If such a small community as ours can carry 66 insurance companies, it can carry 67, although seven companies could probably do all the work.

Hon. Sir Edward Wittenoom: The shareholders have to provide the capital.

Hon. J. CORNELL: None of these companies has ever been in difficulties, but on the other hand all are doing good business. It was thought that the intention of the Government to establish State insurance would be a mighty factor in the last elections. It was going to raise the ire of the electors throughout the State almost to the extent of supposing that they would issue a mandate against the proposition. I had as much to

do as any other politician in endeavouring to put the present Government out of office. I took a clean, honest and manly part in the campaign.

Hon. H. A. Stephenson: You did not have much time in which to talk about State insurance.

Hon. J. CORNELL: I did not meet one individual who expressed any opposition to State insurance, neither do I think that that plank in the platform had anything to do with the result of the election, nor that it would affect any other election.

Hon. J. M. Macfarlane: You do not believe in the mandate?

Hon. J. CORNELL: I think 75 per cent. of the people want it.

Hon. J. J. Holmes: How do you arrive at that number?

Hon. J. CORNELL: They recognise the hopelessness of endeavouring to convert this House, and have given it up as a bad job.

Hon. H. A. Stephenson: Then why worry about it?

Hon. J. CORNELL: I worry for a good and valid reason. I am worried over the men I had the honour to be associated with and worked with for 30 years. Many of them are no more, and others will be no more in a year or so. Hon. members know how I view the Third Schedule of the Workers' Compensation Act as it affects silicotic miners in this State. I have always advocated that industrial diseases should find no place under the Act. The majority of members are with me in that. The law of the land and the dominant political party of the day say otherwise. The law is that silicotic and pthysical miners shall come within the purview of the Workers' Compensation Act. I am not like the Chinaman who once having tasted roast pork turned a pig into his house, and burnt the dwelling down so that he might have another meal of pork. I am not prepared to give away what I have until I get what I am after. Members have interjected, "Pension off these miners." We have to convince those who are in charge of and responsible for the affairs of the country that they must do this. Until they are convinced we must take what is at our disposal and what the afflicted miner has already got. He is given the Third Schedule of the Workers' Compensation Act. That is all the protection the silicotic man has. The tubercular man has another protection. The law says he must be looked after out of the Con-

solidated Revenue. The silicotic man comes under the Third Schedule. The insurance companies have, however, refused to carry this risk. They have gone further than metalliferous mining, for they have refused to take the risk of men engaged in our coal mines. Mr. Ewing's experience is that insurance companies have said, "We shall have no more to do with your men as coal miners."

Hon. H. A. Stephenson: That was before he had any miners.

Hon. J. CORNELL: He had to throw himself on the mercy of the State Insurance Office. If the private companies had consulted any ordinary individual as to the cause of silicosis they would have discovered that never yet has any case of that disease been found in a coal miner. It has been proved beyond doubt that the removal of slightly silicotic men from metalliferous or silicula mines, to coal mines has caused great improvement in their health. Notwithstanding this fact, the insurance companies will have nothing to do with those who work in coal mines. The result was that not only metaliferous miners and those engaged in the Boya and other quarries, but the men who were working in the coal mines were debarred from benefits that the law of the land said they were entitled to. The law further provides for compulsory insurance, and the only way that it could be obeyed was for the State to function on behalf of these men. The State has functioned for them.

Hon. J. J. Holmes: Was it not a question of the rate of insurance?

Hon. J. CORNELL: No. They refused to have anything to do with that class of risk, wherever there was a chance of dust troubles, and they carried their attitude to the logical absurdity of extending it to coal-mining. A miner who has worked coal all his life has never been known to contract silicosis. There is no such thing as silica in a coal mine. Only where the atmosphere is impregnated with silica does danger exist of a man becoming silicotic. If the insurance companies had been reasonable, they would not have drawn the line at the Collie coal mines in regard to the First Schedule. But they have been absolutely unreasonable. Not only have they been unreasonable, but they have been selfish to the last degree inasmuch as the whole trend of their argument has not had one humane fibre in it. It was purely a pounds,

shillings and pence argument. They would not accept any risk which involved the possibility of loss.

Hon. Sir Edward Wittenoom: They are trustees of their shareholders' money.

Hon. J. CORNELL: The law of the land has provided for the individual to be insured through the State. If the Bill is defeated on second reading, what will be the position? And what attitude is this House going to take up then? There is a charge against the Government of having started State insurance without authority or mandate from Parliament. To that charge the Government have pleaded guilty. Next, the Government asked for a State Insurance Bill. This House saw fit to circumscribe the measure. Last session's Bill was workers' compensation throughout. This Chamber amended the measure to say that the Government could only have the miners under the Third Schedule. I said recently, and I say again, that no Government could reasonably and honestly accept that decision, because the effect of it was to differentiate in the field of workers' compensation, and to give the Government only what the experts of the insurance world said was no good to the companies. The world's experts in insurance are allowed to have what has been demonstrated to be good business; that is to say, the other phases of workers' compensation insurance, the ordinary accidental risks.

Hon. C. F. Baxter: Is workers' compensation insurance good business?

Hon. J. CORNELL: Let the Bill be passed in such a form as to give the Government the other phases of workers' compensation insurance also.

Hon. C. F. Baxter: We want to protect the Consolidated Revenue.

Hon. J. CORNELL: I say outside this House and inside this House that the insurance companies' only objection to State insurance springs from a desire to protect their own interests, not to protect the Consolidated Revenue.

Hon. C. F. Baxter: You are wrong.

Hon. J. CORNELL: I am not wrong. In days gone by I have had a good deal of experience of insurance companies' administration of general workers' compensation. I never found the companies wanting when there was a loophole by which to get out of an obligation.

Hon. C. F. Baxter: You must have been dealing with a very shady company.

Hon. H. A. Stephenson: It is the same as regards the State Insurance Office.

Hon. J. CORNELL: I do not say the State Insurance Office is presided over by angels, but probably as many angels are to be found there as in any private insurance office. Despite the Government's refusal to accept this Chamber's decision on the last Bill, State insurance has gone on just the same.

Hon. J. M. Macfarlane: Do you agree with that?

Hon. J. CORNELL: I will come to that presently. Another Bill was brought down, asking for a greater scope of State insurance, asking for legislation of the whole field embarked upon by the Government. Assuming this Chamber does not give the desired authorisation—

Hon. G. W. Miles: Do not you think the Government should go in for marine insurance as well?

Hon. J. CORNELL: Suppose the authorisation is not given, what is to be done then? Suppose the Government continue to carry on, what will this Chamber do then?

Hon. J. J. Holmes: What about the rights and privileges of Parliament?

Hon. J. CORNELL: I shall vote for the second reading, and if the Bill is defeated I shall be 100 per cent. with any member who is game to hold up the Appropriation Bill or to endeavour to cut the sinews of war so that the Government will not be able to carry on their insurance scheme. If the Chamber is not prepared to let the Government carry on lawfully, and then makes no attempt to stop the Government's unlawful action, the Chamber is beating the air, and not consistent, and not logical. Such conduct would almost amount to aiding and abetting a felony.

Hon. J. Nicholson: We have been doing that for a long while.

Hon. J. CORNELL: I am surprised that Mr. Nicholson, who is a distinguished lawyer, should say that we have been aiding and abetting a felony all along. The hon. member should have brought that fact under the notice of the Barristers' Board. But are we going to allow it to continue? My personal opinion is that the insurance companies are perfectly satisfied with things as they are, perfectly content to let the Government conduct their little State insurance concern so long as there is not legal power to do it. The insurance companies are not

adverse to the illegal activities that are going on. Let hon. members face the situation, which is that we must either give the Government lawful authority to engage in insurance business, or else must take steps to put a stop to the unlawful business at once and for all time. That is the position in a nutshell. I do not know whether the House intends to reject the Bill or to pass it; but if we pass the second reading and then endeavour to amend the measure so as to conform with the manner in which last session's Bill was amended, this measure will have the same fate—another place will not accept it.

Hon. J. J. Holmes: Are you sure of that?

Hon. J. CORNELL: I am; and I shall be with another place in not accepting the Bill.

Hon. J. J. Holmes: Wait till we reach the Committee stage!

Hon. J. CORNELL: Probably something will happen in Committee, but at present I am throwing out a hint as to what is likely to happen in another place. I do not see how any self-respecting Government, having had their proposal turned down on the eve of a general election, and having gone to the country and notwithstanding their unlawful action been returned, and having at the moment two years of office to run, can accept legislation similar in form to that which they rejected when on the eve of going to the country. Just one word in conclusion. I reiterate that whilst supporting the Bill and whilst prepared to give legal embodiment to State insurance, I am prepared to stand 100 per cent. behind any member who, in the event of the Bill being defeated, is prepared to do what Americans call "going the whole hog" and see if the Government cannot be prevented from drawing on Consolidated Revenue for the purpose of running their insurance concern.

HON. H. SEDDON (North-East) [8.41]: The consequences of the rejection of the Bill would be so serious that I would like the House to take the whole question into consideration and arrive at some decision consistent with our previous action, and also arrive at some means of giving practical effect to our oft-expressed sympathy with the unfortunate mining employees for whom there is at present no provision. Objection has been raised to State insurance itself. I am inclined to regard much of that objection as due to the feeling existing in

this Chamber against State trading concerns. On the last occasion when this subject was discussed, I pointed out that if only the Government's trading activities had taken shape first in the direction of State insurance, the Administration would probably have met with more success in that direction than in others, and that the result would have been to convince the community, by this time, of the benefits of State trading. Insurance is an avenue of activity for which the Government are particularly well placed. The activities of insurance are largely Government activities. In the course of their ordinary work the Government have compiled statistics which must be of great assistance to them in the insurance business. The success of the insurance companies has resulted from working on statistics, largely compiled by Governments. I point this out because it seems to me that, having entered the field of insurance so late, the Government are under a great handicap because of the want of success shown by the State trading concerns. Much of the money invested in Government securities comes from the large insurance companies, and this money is in itself a witness of the enormous success which the great corporate bodies trading in insurance have achieved. The insurance companies conduct their business on the same lines as the Government of the day. Their surpluses are evidence of the excellence of their management. Much of their money is invested in Government securities. The activity of insurance is particularly adapted to Government departments, because the training of public servants tends to enable them to make a success of this State trading concern far more than other phases of State trading.

Hon. C. F. Baxter: In no country of the world has the progress of State insurance been marked.

Hon. H. SEDDON: We have evidence to show that State insurance has been successful to a certain extent in other countries. However, I wish to deal with the attitude of this House towards the Bill, and more especially the extent of the activities on which the Government have embarked. I would stress the position that existed in the mining industry. We must recognise the position, because the companies are confronted with the necessity to insure their workers. That is obligatory and they cannot insure their men except through the State Insurance Office. Under Section 10

of the Workers' Compensation Act, 1912-24, that obligation is set out as follows:—

It shall be obligatory for every employer to obtain from an incorporated insurance office, approved by the Minister, a policy of insurance for the full amount of the liability to pay compensation under this Act to all workers employed by him.

There is a penalty attached to the section which provides that any employer who fails to comply with the section shall be liable to a penalty not exceeding £5 in respect of each uninsured worker employed by him. If we throw out the Bill, the mining companies will then be faced with the position that they cannot obtain insurance. In view of the penalty, they would be justified in pointing out that they could not comply with the Act and the mines might be compelled to shut down because of the impossible position. In those circumstances I think the House would be well advised to reconsider the whole question. Members should agree to pass the second reading of the Bill and they could then consider the advisability of amending the Bill along the lines we adopted last year. We passed the Workers Compensation Act and the Miners' Phthisis Act. In addition, provision was made for these men in the Bill that was presented to us last year dealing with State insurance. It was amended in Committee by altering the definition of workers' compensation business by cutting out the words "or otherwise" and substituting for them the following:—

And at common law for compensation to employees engaged in mining, or quarrying, or stone crushing, or cutting, or to employees of the State Government, or of any State trading concern.

There was also a new clause added setting out that the measure should remain in force until the 31st December, 1927, and no longer. If members are not prepared to accept the Bill in its present form, I appeal to them, for the sake of the men who are provided for through the State Insurance Office, to pass it in an amended form embodying the amendments we introduced in the Bill of last year, and thus enable the Government to carry out their obligations to these men. Last night, when discussing the proposed amendments to the Workers' Compensation Act, I pointed out that while Clause 7 did not make complete provision for men who had been injured, it did furnish certain provisions in that direction.

For the sake of carrying out the obligation that this State has to the men concerned, I again appeal to hon. members to pass the second reading and amend the Bill along the lines of our proposals last year. The idea then was to allow the Government to insure the miners, not so much from the standpoint of loss or gain, but that members felt there was an obligation upon the State to provide for the miners so that in their declining years, when they were suffering as the result of work in the mining industry, they would not be entirely abandoned, but that some provision at least should be made for them. I support the second reading of the Bill and I hope to assist in Committee to amend the Bill along the lines I have suggested.

HON. J. NICHOLSON (Metropolitan) [8.50]: The Bill was foreshadowed in the Speech of His Excellency the Governor at the opening of the present Parliament. After the full discussion that has taken place on the second reading and the copious extracts and quotations that have been presented, very little is left for me to add. When speaking on the Address-in-Reply, I intimated that I would adhere to the attitude I adopted when the Bill was before us last year. That is to say, I would not be prepared to go any further than was suggested on that occasion when we proposed to limit the scope of insurance and to fix the period of the measure for one year. There was a reason for fixing that period. Practically every member who spoke against the Bill recognised that certain difficulties had been created because of the attitude of the Government. Ministers indicated that they desired the Bill because they did not wish the mining community to be left without some means of protective insurance. The Bill they introduced on that occasion was obviously wider than was necessary for the purposes indicated. That being so, the House took the opportunity to limit the scope of the insurance to the purposes for which we were given to understand the Government desired it and for a fixed period to enable other arrangements to be made. There appears to be some misconception in the minds of many persons as to what insurance really is. Mr. Cornell, Mr. Kitson and others who have supported the Bill used expressions more or less denunciatory of the practices of insurance companies. I sug-

gest that if they considered exactly what the meaning of insurance was and what the insurance business represented, they would realise that they had formed an altogether wrong opinion regarding the companies. My experience of those companies in various places has been that they are not the vampires suggested by Mr. Cornell. I am indeed sorry that that hon. member made use of the expressions he did. I believe he was under a misapprehension. Insurance is nothing more nor less than a contract of indemnity. That is to say, a person who seeks to effect insurance with a company or with another individual, is insured against the possibility of risk or loss under certain conditions. On one side the person desiring to be insured, sets out the risk or the property he desires to insure. He may desire to insure a property against risk from fire. He has to set out all the particulars. We are familiar with the questions asked on a proposal form. Those questions and answers are the basis of the contract, and if the person in any way misrepresents or states what is not true, his action may strike at the whole foundation of the contract and the company may be released. If, for example, a man states he is the owner of a house, and it is found that he is not in fact the owner of that property, he will not be insured. The reason for that is that it is a contract of indemnity. The company has to accept the risk on the representations and information supplied to it by the person who proposes to insure. If he states that which is not true, he misleads the company and therefore must suffer loss on account of his own misrepresentation. In undertaking insurance risks, there must be some basis upon which to act. In connection with workers' compensation, the proposal is to safeguard or protect the person insured against any possible claims or losses arising under the Workers' Compensation Act, at common law or under the Employers' Liability Act. Companies effecting such insurances must of necessity measure the risks they are to undertake. We know full well what action was taken by the companies in this State when the Government introduced an amendment to the Workers' Compensation Act, which concerned the position of men suffering from miners' diseases. We know that the companies strove hard indeed to secure from the Government some fair, reasonable and accurate information, such

as the Government should have been able to give, regarding the number and condition of the men stated to be afflicted. Why did the companies ask for that information? The reason was a simple one. It was that they desired to measure exactly the risk they were to accept, so that they could determine what premium would be fair and reasonable for them, as companies, to charge to the insured person. Surely they were not asking too much. We are all familiar with the subsequent proceedings. The Government did not give the companies the information they sought. I believe they have not got that information up to the present. When a company accepts a risk of that description, surely it is only fair that the Government should lay their cards on the table and say, "Here is the position as we know it. What are you going to do?" They did not do that, and consequently this unfortunate impasse has arisen. And because of the alleged refusal of the companies to effect the insurance—there never was any absolute refusal, and if there was any refusal at all it was refusal to insure against that measure of risk of which neither the companies nor anybody else could have estimated without having the requisite information; nobody could estimate the measure of risk to be undertaken. That is where the whole difficulty has arisen. The whole position might have been changed and cleared if the companies had been taken into the confidence of the Government. They have been led into this unfortunate position, and their fame is being traduced. An effort is being made to throw the responsibility on the companies, to show that they are in fault; whereas as a matter of fact the persons in fault are undoubtedly the Government. I refer to that because it has been said to me that in England the Government effect all workers' compensation insurance scattered through reputable companies on a certain understanding. I believe the basis upon which these insurances are effected in England is that the Home Office has an arrangement with the insurance companies whereby the companies carry out the insurance on the following basis: 60 per cent. of the premiums received goes towards the losses, 30 per cent. towards the expenses, inspection and office, etc., and the only profit the companies make out of it is the humble profit of 10 per cent. There seems to be a

way out of the difficulty. Let the Government be frank with the companies and give them the fullest information as to the nature of the risk they are undertaking. When they have got that information, the companies can then determine what should be a fair thing for the risk. When they have done that, then let the premiums received from the insurance be dealt with as in England. But until the Government give this information, it is quite impossible for the companies to measure their risks or to quote a premium. I ask you, Sir, as one who knows more of the inroads of these diseases on miners than does anybody else in this Chamber, could you tell exactly where or when that disease is going to manifest itself any day among those men who have been at work in the mines? It is one of the most difficult things possible to determine. But the companies are asked to take the risk without information. The companies cannot subsist on losses; they can only subsist upon a reasonable profit. They have to receive money in capital that belongs to their shareholders and to see that it is properly invested and employed. If the companies or their shareholders use that money in a wrong way, we know what the result is to the companies; the destruction of faith first in their board of directors and a serious loss to many people who have invested in those companies, some at least of them widows or others dependent on the dividends declared by the companies from time to time. These things have all to be taken into consideration. But listening sometimes to members speaking about these companies, one would imagine them to be the grossest vampires on earth, whereas they are the greatest benefactors, because they are there to help us out of a very serious difficulty. It is all due to a lack of realisation of the true position. I hope that some means will be devised whereby the companies and the Government can be brought together in a friendly way so that these matters may be adjusted in a proper manner. During the Address-in-reply I alluded to this very subject. I adhere to the position I then declared. I have often reiterated and I again reiterate my opposition to State trading concerns. It has been suggested that this is not a State trading concern. May I, without seeking to weary

the House, just allude to the section in the Act, which reads as follows:—

No trading concern other than those to which this Act applies or shall apply shall, unless expressly authorised by Parliament, be hereafter established or carried on by the Government of the State or by any person acting on behalf of such Government or under its authority.

Then listen to this, the third subsection—

The expression "trading concern" means any concern carried on with a view to making profits or producing revenues or of competing with any trade or industry now or to be hereafter established, or of entering into any business beyond the usual functions of a State Government.

Yet here we have the Government illegally and without the authority of Parliament—which is the supreme authority and power in these matters—openly defying Parliament and here seeking to apply this fund, belonging to the people of the State, in a way that is not authorised. I am prepared even to be generous to the Government. Last year I was moved by the position so feelingly indicated by the Chief Secretary. He naturally aroused sympathy in the breast of every member regarding the lot of those poor miners. We all feel sorry for those men. I am of opinion it is not by any means such as we have on our statute-book that we are going to remedy the position that has been created. We have to meet this situation by means other than insurance as provided under the Workers' Compensation Act and other Acts, by a means wholly different from what is provided there. The means we have to seek for is the establishment of a fund which will overcome the unfortunate lot of these poor miners and seek to enable them to pass their declining years in comparative comfort through receiving an adequate pension for the balance of their lives. That would get rid of much of the difficulty. In the meantime I realise that the Government are in a difficulty. I have said that I am prepared to be generous. I will go to this length: I will vote for the second reading of the Bill if the Chief Secretary will tell me that his Government are prepared to accept the same amendment as we inserted in the Bill that was before us last year. If that can be done I shall be glad to give my support to the second reading, the passing of which will at least remove the illegality of the proceedings of the State Insurance Office wrongfully started

by the Government. It will remove them from a very awkward situation. That should be appreciated by the Government, and not treated as it was last year. I make that offer in the hope that it may be favourably considered.

HON. J. EWING (South-West) [9.12]: I recollect what happened last session and the strenuous fight that was put up against a similar Bill. The result of a division in this House was that the second reading of that Bill was carried by one vote and thereby the principle of State insurance was established on the conditions laid down by this House. Subsequently in Committee I moved that the Bill be limited to one year's duration in order that the Government should further consider the position of the men in the industry, and also the diseases contained in the third schedule. That was not accepted by the subsequent conference. Then Mr. Potter moved as an amendment that the State Insurance Bill should apply to only a portion of the Third Schedule. What the Government wanted was a monopoly of the Third Schedule. The result of the negotiations was that the Bill was dropped. I find myself in a peculiar position to-night. Ever since I have been in public life I have been entirely against State trading. I am absolutely against State insurance carried on under the conditions of State trading, but I think the State trading so much objected to by members does not apply on this occasion. Far transcending the question of State trading is the position of the miners under the Third Schedule. Mr. Harris, Mr. Seddon, and Mr. Cornell have all told us the position of the goldmining industry. It is a fact that although we have compulsory insurance under the Workers' Compensation Act, the miners cannot be insured. Let me refer to the position of the coal mines, even at the expense of its being considered a somewhat personal matter. As Mr. Cornell has pointed out, there is no silicosis in the coal mines, and there is no reason why coal miners should not be accepted under the third schedule. There is no reason why they should be penalised in any way whatever. Being opposed to State trading as I am, and also to State insurance, I find myself in the position of having to support this Bill in order that the men engaged in the mining industry may receive a fair deal. Being interested in a particular coal mining company, I have approached

various companies operating in this State and have ascertained that they have no fear whatever about the third schedule of the Act as applied to coal miners. I told them that I had no fear, either, and they asked, "Why do not you take the risk?" I replied, "Why should my company take the risk?" They said, "We shall not take the risk. You say you admit there is no danger and yet you will not take the risk." We have compulsory insurance and companies engaged in gold and coal mining have to insure their employees, and yet both branches of the industry are refused cover for their employees. Consequently, I find myself wondering what attitude I should take, whether I should support the Government in a matter in which generally speaking I do not believe, or whether I should regard State insurance as another State trading concern. I have arrived at the conclusion that I should vote exactly as I did last session, hoping that when the Bill reaches Committee, reason will prevail. The Bill may go to a conference, and if it does better results may be achieved than were achieved last session. I say clearly and explicitly that the position as regards members of this House is untenable. They passed the Workers' Compensation Act which provided for compulsory insurance. The insurance companies refuse to accept risks on a most important section of the people. In the circumstances I intend to cast my vote for the second reading and I ask members to take the advice tendered by Mr. Nicholson. Opposed though he is to State insurance, he is prepared to vote for the second reading.

Hon. J. Nicholson: I did not say that. I want an assurance from the Chief Secretary that the Government will accept the amendments we made in the Bill of last session.

Hon. J. EWING: The Chief Secretary cannot say what the Government will do. If the hon. member votes for the second reading of the Bill and uses his influence to get other members to do the same, a happy result might be obtained. We may be able to arrive at a compromise on what has been described as "this illegal business." There is no doubt that it is illegal. If we are prepared to take the responsibility of throwing the Bill out, a crisis may be precipitated, and if that happens I cannot say what action I shall take. Two members who voted for the Bill last session are absent and one or two members who supported the Bill last year have indicated their

intention to vote against the second reading on this occasion. However, I hope the Bill will pass the second reading, and, if it does, I am sure some compromise will be possible and the matter will be adjusted, for there is urgent need that it should be adjusted.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [9.20]: Mr. Baxter, in his second reading speech, quoted the losses on State trading concerns in various States, but they have no reference to State insurance. To be quite logical, Mr. Baxter should have quoted the profits made by the State Insurance Offices. This he refrained from doing, probably because all of them have made substantial profits. For the information of Mr. Baxter, I shall supply particulars of some of the profits made:—

Queensland—	£
Workers' compensation ..	65,582
Fire	23,305
Miscellaneous accident ..	3,137
Marine	1,820
	<hr/>
	£93,844

Hon. Sir Edward Wittenoom: For how many years?

The **CHIEF SECRETARY**: It does not matter for how many years. That is the accumulated profit and a substantial sum it is.

Hon. W. H. Kitson: And the premiums have been reduced, too.

The **CHIEF SECRETARY**: Victoria, from accident insurance, made a profit of £14,838. Speaking from memory, the Victorian office was established about 1914. New Zealand, from accident insurance, made a profit of £14,332, and from fire insurance £40,737, a total of £55,069. With regard to New South Wales, the operations of the State office are not available, but the insurances conducted by the New South Wales Treasury show that for the year ended the 30th June, 1926, a profit of £50,800 was made.

Hon. J. J. Holmes: Do you suggest that the Government should take up every business of profit?

The **CHIEF SECRETARY**: That is another class of business as I shall show later on. A long extract from the "Westralian Worker" was quoted, most of which had nothing to do with the State insurance. Regarding the part that had a bearing on the

State Insurance Office, reference was made to the comments on Dr. Nelson by Mr. McKennay. Dr. Nelson is admittedly an expert. He is a Commonwealth officer and has no bias in favour of the State. His judgment in regard to the vast majority of cases is accepted without question by Mr. McKennay. He is in charge of the whole of the examinations of the miners. In a few cases, quite insignificant in comparison with the whole, his opinion is contrary to that of Mr. McKennay because he does not support the claim for compensation. On medical questions, the State Insurance Office prefers to be guided by Dr. Nelson, who has spent many years on this class of work, rather than by Mr. McKennay, who obviously knows nothing about the medical aspect.

Hon. C. F. Baxter: But that newspaper report dealt with State insurance.

The **CHIEF SECRETARY**: It is alleged that the State Insurance Office has access to confidential reports. That is not so. Anyhow, the allegation has been given currency by Mr. Baxter, for what reason I do not know.

Hon. C. F. Baxter: I read the extract from your own paper.

The **CHIEF SECRETARY**: In one case only was information made available, and that was in the interests of the representatives of a deceased miner. It was obviously impossible to have the dead man medically examined, and so the information was supplied by Dr. Nelson. As a result of the information having been supplied, the claim was paid, so it is difficult to realise what ground for complaint there can be now.

Hon. C. F. Baxter: Then your own paper, the "Worker," is misleading the public of Western Australia.

The **CHIEF SECRETARY**: The hon. member quoted some correspondence that was published in the paper.

Hon. C. F. Baxter: No, it was the report of a meeting.

The **CHIEF SECRETARY**: Then it was untruthful. Patrick Kennedy's case was mentioned. This is the class of matter supplied to the House in order to influence members to oppose the Bill. In Patrick Kennedy's case a medical board was appointed under the Act, and a majority of the three doctors decided the question of disability. Dr. Nelson's view was supported. Surely the State Insurance Office cannot be blamed if the medical board did not allow Mr. McKennay

to ask certain questions. It was said that the medical board should have allowed him to ask certain questions, but the fact that he was not allowed is no reason why this Bill should be rejected.

Hon. J. J. Holmes: We cannot recognise the existence of a State Insurance Office.

The CHIEF SECRETARY: The value of actuarial advice was stressed by Mr. Baxter, but not a single insurance company has an actuary in Western Australia, and there is good ground for the statement that when the rates were recently revised they were not referred to the "best actuaries in the British Isles," as stated by the hon. member.

Hon. C. F. Baxter: That statement is not correct.

The CHIEF SECRETARY: The local Underwriters' Association fixed the rates. Mr. Baxter implies that miners phthisis was not an insurable risk, and that it should be carried under the Miners' Phthisis Act, thus being a complete charge on the State. The general manager of the Chamber of Mines of Johannesburg, himself an actuary, recently expressed the opinion to the Government Actuary of Western Australia that in his view the risk should come under the workers' Compensation Act, and that at the present time it was a perfectly legitimate charge on the mining companies. Thus one of the leading experts of what is by far the biggest goldfield in the world holds an opinion quite contrary to that of Mr. Baxter. It is mentioned that the Victorian State Insurance Office obtains only 15 per cent. of the business in Victoria. Assuming that there are 60 companies operating, its share on the average would be one-sixtieth, but as it obtains 15 per cent., the employers of Victoria are evidently well satisfied with the conduct and management of the State Insurance Office.

Hon. C. F. Baxter: That is a very weak argument.

The CHIEF SECRETARY: Mr. Baxter omitted, in his reference to Queensland, to state that the compensation there is two-thirds of the wages, not one-half, as in Western Australia. Under the Miners' Phthisis provisions, there are scores of old cases admitted in Queensland that could not possibly come under the Western Australian Act. Mr. Baxter admitted that comparison with Queensland was impossible; yet within a few minutes of making that remark he proceeded to draw a comparison. No re-insurance busi-

ness was transacted with the office which Mr. Baxter declined to name, but which was afterwards referred to by Sir William Lathlain.

Hon. C. F. Baxter: That is not the same office. I rise to a point of order. I used no name.

The PRESIDENT: What is the point of order?

Hon. C. F. Baxter: The Chief Secretary stated that I had referred to the same insurance company that Sir William Lathlain referred to. That is not so. He mentioned the name of the company, but that to which I referred was not that mentioned by Sir William. I ask the Chief Secretary to withdraw his reference.

The CHIEF SECRETARY: I do not know what I have to withdraw.

Hon. C. F. Baxter: The Minister said I referred to the same insurance company that Sir William Lathlain referred to, and stated that the Government had put their reinsurances through it. That is not correct.

The PRESIDENT: The Chief Secretary must accept the statement of the hon. member.

The CHIEF SECRETARY: The hon. member ought to name the insurance company he referred to in such veiled terms.

Hon. C. F. Baxter: I did not do so for business reasons. The Minister may have the name privately.

The CHIEF SECRETARY: The hon. member was alluding to the crops of settlers under the Industries Assistance Board. He made a veiled charge against the Government. He did not come out into the open and has not done so yet. There is not the slightest ground for his insinuation. He refers to communications sent by the Under Secretary for Works and Labour. That has nothing to do with the State Insurance Office. It may, however, be asserted that Lloyds Underwriters are unimpeachable.

Hon. C. F. Baxter: What are the insinuations in regard to the Industries Assistance Board?

The CHIEF SECRETARY: There was some insinuation of shady conduct on the part of the Government.

Hon. C. F. Baxter: Not at all.

The CHIEF SECRETARY: I took a note of the hon. member's remarks.

Hon. C. F. Baxter: You took me down wrongly.

The CHIEF SECRETARY: If there was any insinuation on the point, it would be a great injustice to the company.

Hon. C. F. Baxter: Lloyds is not a company.

The CHIEF SECRETARY: Lloyds Underwriters are unimpeachable, and enjoy world-wide confidence. Their reputation is as good as that of any insurance company in existence. It is idle to argue otherwise, and it is a gross injustice to that organisation to do so.

Hon. C. F. Baxter: I pointed out the difficulty of insuring with them because of the many endorsements they put on one policy.

The CHIEF SECRETARY: The old time fire at the Midland Junction Workshops is brought into the discussion. The Railway Department duly met the loss of about £30,000, not £50,000 as stated by the hon. member.

Hon. C. F. Baxter: I was trusting to my memory.

The CHIEF SECRETARY: And they have since built up a fund that was recently as high as £90,000. Mr. Baxter states that 1,384 claims were received for a total of £25,275. He mentions that the figures are absolutely useless because the outstanding claims are not estimated. It was impossible in the time available for replying to a question to give such information if it was to be of any value, and the hon. member as an ex-Minister ought to know that. For the ordinary accident risks it can be asserted confidently that £5,000 will cover the outstanding claims. That assurance has been given to me by the manager of the State office. As regards industrial diseases, in respect of all the claims which have been admitted, I am told that a similar amount would probably be sufficient, but there is in reserve a much larger sum because the nature of the risk is more uncertain than in the case of an ordinary accident. It is regarded as absolutely necessary to build up a reserve. It is doubtful whether Sir William Lathlain's interjection—that the insurance companies show their outstanding liabilities every week—is in accordance with the facts. It is more general, I am informed, to make this estimate annually as was done by the State Insurance Office. The Auditor General states that there has been only a cash audit—that is surely one of the most important parts of

an auditor's duty. The books were written up to date, but no final statement was asked for by the Auditor General. It has been prepared and is now available. Mr. Baxter refers to the Auditor General's report dealing with the operations of the Government Workers' Compensation Fund. He seems to consider that the Auditor General is referring to the State Insurance Office, but that is not so.

Hon. C. F. Baxter: Oh no.

The CHIEF SECRETARY: There was no justification for bringing the State Insurance Office into the matter at all. The hon. member has doubtless already acquired the information, but for the information of other members I would say that the Government Workers' Compensation Fund was commenced about 15 years ago to deal with the claims of Government employees only. Charging approximately only one-third of the companies' rates, it gradually built up a reserve of £50,000, in addition to paying over £12,000 to Consolidated Revenue. After the passing of the 1924 amendment of the Act, the companies increased their premiums, by arrangement with the Minister for Works. The premiums under the Government Workers' Compensation Fund were increased to a like extent, but as the 25 per cent. increase agreed upon was on rates of premium very much below the companies' rates for similar risks it is patent to all who give the question a moment's consideration that the actual increase in the premiums received was much less than it would have been if based on a higher scale. If the premiums under the Workers' Compensation Fund had been, say, three times larger, the increase would have been three times as much as was actually obtained. The loss of £8,000 which Mr. Baxter then erroneously thought was made by the State Insurance Office is much more than accounted for by my statement.

Hon. C. F. Baxter: You are wilfully misleading the House.

The CHIEF SECRETARY: The hon. member put up the matter to the House, leading the House to believe that the State Insurance Office had suffered this loss.

The PRESIDENT: I must ask the hon. member to allow the Chief Secretary to continue his speech without interruption.

The CHIEF SECRETARY: Mr. Baxter is heartsick to read the note that manage-

ment expenses are charged against Consolidated Revenue. I would point out that during the whole time the hon. member was a Minister this was charged to Consolidated Revenue, and no protest was made. He now condemns the Government for what he did then himself. The creation of the fund simply means that the Government prefer to meet the claims of their employees in this way rather than in the previous casual method when all departments settled their claims on a different basis. I will now deal with Sir William Lathlain's remarks. It is stated that from 1925 to 1927 the companies have sustained a loss ratio of 99.8 per cent. Whilst this may have been the result in the aggregate, there is no doubt that some of the companies made substantial profits. The figures of individual companies are not available except to the Statistical Department. It is mentioned that the Western Australian offices considerably reduced the crop insurance premiums some years ago. This statement is rather more inaccurate than accurate because, while the fire insurance premiums were reduced, the hail insurance premiums were increased and in the aggregate the increase was very much more than the decrease. Sir William mentions that there is enough competition between the 60 organisations to keep the premiums within fair and reasonable bounds. Does the hon. member expect the general public to swallow that statement? Everyone knows that the element of competition is removed as regards the fixing of rates because the Underwriters' Association decide the tariff on behalf of the whole of the companies. There is no competition at all. It is a monopoly. Sir William mentions that it is generally realised that insurance companies make a great deal of their income from investments. That is so. It is of course obvious that before they make an investment they have to obtain accumulated funds from the excess of premiums over losses. The accumulated funds are due to the profits they make. The hon. member definitely mentioned the name of a company which he implied carried some re-insurance on the Industries Assistance Board crop business. It is sufficient to state that no insurance was arranged with the company he referred to. I will now deal generally with the question of re-insurance. The local companies make it a ground for complaint that the re-insurance business was transacted

outside the bounds of the State. They considered that immoral, and that the whole of the business should be transacted within the bounds of Western Australia. They have no ground for complaint in the circumstances. The Government Actuary personally offered some of the re-insurance to the representatives of the Underwriters' Association but it was declined. That is a positive fact. I know the hon. member is not acquainted with all the circumstances, or the true position, else he would not have made that statement.

Hon. Sir William Lathlain: You have £600,000 of theirs.

The CHIEF SECRETARY: Having created what the companies thought was an impossible position, they cannot reasonably complain when the re-insurances are effected independently of them. Sir William talks of keeping the business within the State. Insurance men know that the elaborate system of re-insurance, coupled with the fact that the head offices of nearly all the companies are outside the State, has the effect of taking most of the business out of the State. There is no getting away from that logical position. Sir William falls into the same error as Mr. Baxter in confusing the Government Compensation Fund with the State Insurance Office. The Auditor-General's reference to management expenses being charged against Consolidated Revenue refers only to the Government Workers' Compensation Fund which was established nearly 15 years ago by the Scaddan Government and was carried on by the Jeffroy Government, the Colebatch Government and the Mitchell Government.

Hon. C. F. Baxter: I made that statement because you referred to cheap rating. It carried no expenses and so it could charge cheap rates.

The CHIEF SECRETARY: As a fact, all the premiums are a charge against Consolidated Revenue because the fund deals with Government employees only.

Hon. C. F. Baxter: Then why talk about cheap rating?

The CHIEF SECRETARY: The question "Is that clean and honest trading?" is quite unwarranted.

Hon. C. F. Baxter: Who made that statement?

The CHIEF SECRETARY: The hon. member made use of it.

Hon. C. F. Baxter: It is not, when you use those figures.

The CHIEF SECRETARY: His comments were based on misconception.

Hon. C. F. Baxter: And yours are an argument for cheap rating.

The CHIEF SECRETARY: His comments were utterly worthless.

Hon. C. F. Baxter: They were not.

The CHIEF SECRETARY: If they were not, then hon. members can form their own opinion.

The PRESIDENT: Order!

The CHIEF SECRETARY: Mr. Potter mentioned last year that anyone who dared to speak against the inauguration of State insurance was "callous and desirous of leaving the miners to a desolate and grievous fate." The position still holds good, that if it were not for the State Insurance Office, the mining companies could not obtain the protection they require under the Workers' Compensation Act. The insurance companies will not give the mining companies a complete cover. If the State Insurance Office were to cease operations immediately, it would mean that the mining companies might have to cease operations.

Hon. J. Ewing: And they possibly would, too.

Hon. J. J. Holmes: Who created this position?

The CHIEF SECRETARY: The insurance companies!

Hon. J. J. Holmes: The Minister for Works!

The CHIEF SECRETARY: The insurance companies created it by cancelling the insurance policies not only covering the Third Schedule but general accidents too, and they gave three days' notice only. They are responsible for the position.

Hon. J. Ewing: Of course they are.

The CHIEF SECRETARY: If the State Insurance Office were to cease operations to-morrow, the mining companies might have to cease operations as well. Indeed, the substantial increase that has been made by the underwriters for the premium in general accident risks, namely from 12 17s. per cent. to £1 5s. 1d. per cent., would in itself be a serious liability for the mining companies to shoulder, quite apart from the question of industrial diseases. Mr Potter went on to state that last year the insurance companies used every possible means to get the information they required. Now that they are in full possession of the information, they still refrain from quoting a premium

or giving any indication that they are willing to do the business.

Hon. J. Ewing: They won't take it; they refuse to do so.

The CHIEF SECRETARY: Mr. Potter also referred to Queensland and stated that the general workers' compensation business had been maintained at such a prodigiously high figure that they had been able to transfer £130,000 to meet the claims of the miners' phthisis section. Therefore, he suggests, they are entitled to a very substantial rebate. If he considers the premiums in Queensland are prodigiously high, then what must he really think of the premiums in Western Australia, which in 417 occupations exceed those charged in Queensland and in only 73 are they lower in Western Australia than in Queensland.

Hon. Sir William Lathlain: But the compensation is higher in Western Australia.

The CHIEF SECRETARY: No, it is higher in Queensland and more comprehensive too. Again, if the Queensland rates are prodigiously high, it should be remembered that they were originally fixed by the private insurance companies.

Hon. G. Potter: So that the State has not reduced them in Queensland?

Hon. J. R. Brown: Of course it has.

The CHIEF SECRETARY: Listen to this! Someone must have created this impression on Mr. Potter's mind! He mentions that, without the Treasury behind it, the State Insurance Office could not possibly carry on at the old rates. Notwithstanding Mr. Potter's allegations, the fact remains that the State Insurance Office has carried on at the old rates and has not had one penny of assistance from the Treasury.

Hon. G. Potter: What about the outstanding liabilities?

The CHIEF SECRETARY: I have just informed the hon. member that at the outside they do not exceed £5,000. Reference is made to the fact that State insurance in Queensland has not brought any reduction in premiums. That may be so, but it has, however, resulted in handsome bonuses being paid to policy holders. They cannot have it both ways. Mr. Potter mentions what other speakers have already referred to, that the fire premiums on crops have been reduced from 30s. per cent. to 17s. 6d. per cent., but he omits to mention that the hail insurance premiums were increased to a greater effective extent. This consistent

failure to present the whole truth is possibly explained by the fact that the information to various members emanates from the same interested source, namely, the Underwriters' Association. Mr. Potter goes on to mention New Zealand. He states that hon. members need not be surprised to find that the New Zealand State Insurance Office consulted with the other insurance companies before declaring bonuses or striking rates. As a matter of fact, the general manager of the New Zealand State Insurance Office personally informed the manager of our State Insurance Office within the last few weeks that the private insurance companies are always anxious to know what bonus he proposed to pay in order that they may immediately afterwards declare the same rate of bonus, if possible.

Hon. G. Potter: Then they do consult?

The CHIEF SECRETARY: With regard to group settlers and the query as to why they were brought under the Government insurance fund, and not under the State Insurance Office, the explanation is that the group settlement scheme was started before the State Insurance Office, and the group settlers' insurance through the Government fund was approved not by the present Labour Government, but by their predecessors. Mr. Macfarlane mentioned that in connection with State insurance, managerial expenses have in some cases been paid out of Consolidated Revenue. This is utterly incorrect. Confusion has occurred, as I previously explained, between the Government Workers' Fund and the State Insurance Office. The latter bears its own expenses entirely. Mr. Stephenson expressed the view that it was a godsend that the British insurance companies had reserved their profits, and that they were available to the Government during the last war. That sounds very nice, but there is perhaps another side to the story. A point was reached when the insurance companies declined to cover marine risks. They absolutely refused to touch the business. The Government then had to step in, and form what was practically a Government Insurance Office, and a flat rate of £1 ls. per cent. was quoted.

Hon. J. Cornell: That was when the Empire was hard up against it too.

The CHIEF SECRETARY: Afterwards when the insurance companies saw that there was profit to be made, even in the country's desperation, they came in to try to undercut the Government. These are indisputable

facts. Nevertheless, the British Government insurance scheme ended with a profit of £17,000,000. That is something to investigate to ascertain whether it is correct or not.

Hon. J. Cornell: That is the stuff to give them.

Hon. H. A. Stephenson: Have they a State Insurance Office now.

The CHIEF SECRETARY: Mr. Stephenson further remarks that the State Insurance officers have had practically no experience, and he refers to them as "raw apprentices doing a journeyman's job," and as "new chums." As a matter of fact, some of those associated with the State Insurance Office have settled more claims for many years than most of the insurance companies in the State combined. This is no place to enter on a defence of individual officers, but it can safely be asserted that both by theory and practice those associated with the State Insurance Office are at least on the same level as those connected with any private insurance company in the State. Mr. Stephenson mentions that in the year before the State Insurance office did the I.A.B. crop insurance, the companies received from the board £15,429 in hail premiums and paid away £15,906 in losses. He omits to mention that for the fire business they received premiums amounting to £11,847 and paid away in losses £941, which puts quite a different complexion on the position.

Hon. J. Cornell: That is the nest egg.

The CHIEF SECRETARY: Mr. Harris very properly emphasises the difficult situation that will be created in the mining industry if the goldmining companies are not able to obtain the required protection. Briefly it means that most of them would not be able to continue operations, and possibly 5,500 men in the industry would be out of employment and their wives and families would suffer as a result. Mr. Harris refers to the fact that provision is made in the Bill for the employment of agents and the payment of commission. This may be necessary ultimately, but up to the present not one penny has been paid in commission. Mr. Harris refers to the statement of the secretary of the A.W.U. to the effect that under the Crown Solicitor's ruling "a man may be incapacitated by, say, toxemia, and also by silicosis, but as he is incapacitated by the former he is debarred from compensation, and his incapacity through the latter is ignored." This is not a correct statement of the position. The whole point

hinges on what causes the incapacity. Section 7 of the Act requires it to be shown that the disability is caused by the industrial disease. Section 7 of the Act that deals with the matter reads as follows:—

(1) Where—(a) a worker is suffering from any of the diseases mentioned in the first column of the third schedule to this Act, and is thereby disabled from earning full wages at the work at which he was employed; and the disease is or was due to the nature of any employment in which the worker was employed at any time within 12 months previous to the date of the disablement, whether under one or more employers, the worker shall be entitled to compensation in accordance with this Act as if the disease were a personal injury by accident within the meaning of section six

If the silicosis is the cause according to the medical evidence, the claim is at once admitted, whatever the degree of disability may be. If toxemia is stated by the doctor to be the cause, then under the terms of the Act the claimant is not entitled to compensation. It was stated during the second reading debate that I claimed the Government had a mandate to bring in this Bill. I did not use the word "mandate," because it is a word that in my opinion should not be used in wholesale fashion by any party that has been returned to power. What I did say was that State insurance had been made a prominent feature in the campaign of the Government during the last elections; that it was dealt with by every Labour candidate; and that the general experience was that the country was in favour of it. I can now go further than that and give an additional proof of the volume of feeling in support of State insurance. It is that all the anti-Labour candidates, as far as I was able to discover, scrupulously avoided the subject. During the elections, I was around north and south and almost east and west, yet I could not discover one instance of the subject of State insurance being raised by our opponents. State trading concerns were condemned wherever it was considered advantageous to do so, but the Opposition closed up like oysters on the question of State insurance. That is pretty good proof of public opinion on that question. It was very evident that there was a wholesome dread of the subject on the part of our opponents, and in the vast variety of propaganda they issued, whenever it was referred to, the misrepresentations of the insurance companies were utilised to hoodwink and deceive the public. In this debate a great deal of time has been devoted to a criticism

of the Government insurance scheme established 15 years ago, and probably through further deception on the part of the insurance companies the public have been led, by this criticism, to believe that the Government insurance scheme, started by the Scaddan Ministry and continued by the Lefroy, Colebatch, and Mitchell administrations is the State Insurance Office which was opened last year. As I have told the House before, the rates for this old Government scheme were in many instances only one-third of those charged by the insurance companies, and in other only one-half. I said that members in offering this criticism, this baseless criticism, were probably deceived by misrepresentations of the insurance companies. For I could not conceive that any member of the House would deliberately mislead the people in order to discredit the State Insurance Office and to support the stand he had taken against this Bill. We had also the lovely mare's nest indicated by Mr. Baxter and unearthed by Sir William Lathlain. Mr. Baxter now disowns the part that I conceived he had taken.

Hon. C. F. Baxter: I can prove it.

The CHIEF SECRETARY: Sir William Lathlain referred to the first meeting of shareholders of the Industrial Insurance Company, which was held in the Trades Hall, Melbourne, and he read an extract from an unnamed source which stated that during 21 months operation the amount paid in premiums to the company was only £4,244. Sir William Lathlain then said that this was probably the company with which the Government had re-insured portion of their business. The portion of the business referred to was the crops of those under the Industries Assistance Board. The information was no doubt supplied by the insurance companies, for I do not think Sir William Lathlain would rely merely on rumour for statements he made in this House. But the calumny has been broadcast by the Press, and everyone knows how difficult it is for the truth to overtake falsehood. The Legislative Council will shoulder a serious responsibility if they throw out this Bill. Is it desired that the mining companies should be placed at the mercy of the insurance companies; that they will be unable to get cover for miners' diseases and that their general accident risks will go up from £2 17s. per cent. to £4 5s. 11d. per cent.? The Government have exhausted every means to cope with the

situation. They have done so to help the mining companies and protect their employees. We started State insurance because we were forced to do so by the circumstances existing at the time. We had to provide facilities for the mining companies to cover their risks, or alternatively see them close down their mines. These facilities had been denied them by the insurance companies. As soon as Parliament opened last year we submitted a Bill seeking Parliamentary authorisation for what we had done. It was passed by another place, but the Council enforced restrictions, both as to scope and time, that the Government could not accept with safety.

Hon. J. J. Holmes: Still you went on.

The CHIEF SECRETARY: We resolved to submit the question to the electors at the general elections—which were to be held in three months time—and, having done so, we met evidence everywhere of the support of the great mass of the people, not only those connected with our own party, but those connected with other parties. If the State Insurance Office be closed down as a result of the loss of this Bill, the mining companies, unable to obtain cover for miners' diseases, will be in a parlous condition. If they are offered cover they may be offered it at the £20 per cent. mentioned by the insurance companies last year. What that would mean need not be expressed. I can leave it to the imagination. Moreover, the mining companies would have to pay crushing rates for general accident risks.

Hon. J. Cornell: They could not carry on.

The CHIEF SECRETARY: And not only the mining companies, but employers generally would be penalised by the average 70 per cent. increases in premium rates imposed by the insurance companies as from the 1st August last. It is not the workers who would suffer if the State Insurance Office were closed: it is the employers, who are compelled by law to insure and who must insure; it is they who would pay the piper. It has been said that the insurance companies could not make the business pay without enormous increases in their rates. That may be so, and one can realise it, when the business has to be split up among about 60 companies. But the last thing that should be encouraged is that profit should be made out of the misfortunes and calamities of the people. The aim of the State Insurance Office is not to make profits from such a source, and it has been

able to carry on for 18 months, and should be able to carry on in the future if this legislation is sanctioned, without placing the staggering imposts on industry that are contained in the new scale of rates issued last August by the insurance companies. The Government have done their part and more than their part in this matter. They can do no more, and it now rests with this House to say whether the insurance companies shall have an "open go" to fleece the industries of this country. That is the point at issue, and that is the responsibility that every member must be prepared to take who casts a vote against this Bill.

Question put and a division taken with the following result:—

Ayes	..	..	..	9
Noes	..	..	..	13

Majority against .. 4

AYES.

Hon. J. Cornell	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. H. Seddon
Hon. J. Ewing	Hon. H. J. Yelland
Hon. E. H. Harris	Hon. J. R. Brown
Hon. J. W. Hickey	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. J. Nicholson
Hon. A. Burvill	Hon. G. Potter
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. H. Stewart
Hon. G. A. Kempton	Hon. Sir E. Wittenoom
Hon. Sir W. Lathlain	Hon. G. W. Miles
Hon. J. M. Macfarlane	(Teller.)

PAIRS.

AYES.	NOES.
Hon. J. E. Dodd	Hon. W. J. Mann
Hon. E. H. Gray	Hon. A. Lovekin

Question thus negatived.

ASSENT TO BILL.

Message from the Governor received and read, notifying assent to Supply Bill (No. 3), £1,363,500.

BILL—DOG ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it disagreed to the amendments made by the Council in the Bill, and giving reasons.

Request for Conference.

Hon. C. F. BAXTER: I move—

That a conference be requested with the Assembly, that at such conference the managers of the Council be Hon. J. J. Holmes, Hon. H. Stewart, and the mover, that the place of meeting be the Chief Secretary's room, and that the time of meeting be forthwith.

Question put and passed, and a message accordingly transmitted to the Assembly.

BILL—ROADS CLOSURE.*Second Reading.*

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [10.24] in moving the second reading said: Clause 2 of the Bill refers to portion of Streatley-road, Victoria Park. The City Council propose to establish a recreation ground in this locality, and to that end have purchased the lots shown bordered red on tracing No. 1 of those laid on the Table of the House. It is desired that that portion of Streatley-road coloured blue on such tracing shall be closed and included in the recreation ground. There is no departmental objection to the closure. Clause 3 deals with the closure of portion of Road 1135, Midland Junction. In connection with the Midland abattoirs additions and new cold store site at Waterhall, it became necessary to deviate the existing road from the position shown in red on litho. No. 2, to the position shown in blue; this being in the Midland Junction Municipality, the old portion of the road can only be closed by Parliament, and the matter has therefore been included in the Bill. The deviation is being made at the request of the Main Roads Board, and the Midland Junction Municipality have agreed. Clauses 4 and 5 have reference to a block of land at North Fremantle. It is proposed to make this land available for sale. The rights-of-way shown therein have already been closed by Act of Parliament, but it is necessary that that portion of Thompson-road coloured blue, and a small portion of Coventry-parade, being a truncation at the junction of the two streets, be closed. It is intended to provide an outlet from the north end of Thompson-road to Victoria-avenue by declaring a new road one chain in width, in the position shown in green on the litho. As regards the land referred to in the last two clauses,

the North Fremantle Municipal Council have refused their consent. I move—

That the Bill be now read a second time.

HON. E. H. GRAY (West) [10.27]: In Committee, assuming that the Bill passes its second reading, I shall move the deletion of the last two clauses, because of a misunderstanding. The Minister was under the impression that the North Fremantle Council were aware that the Bill was being brought forward: in point of fact, they knew nothing about it until the second reading took place in another Chamber. If the intention of the clauses in question is carried out, there will be no outlet to Thompson-road. I take it that the local authorities are the best judges of a matter of this kind. The proposed alteration, although it may render the Government's land more valuable, by making it all one piece, yet will cut off access to North Fremantle, where a large residential area might be created. Thompson-road is parallel to Victoria-avenue, and the North Fremantle Council are unanimously against the proposal. Therefore I shall ask hon. members to delete Clauses 4 and 5.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Closure of portion of Streatley-road, Perth:

Hon. J. NICHOLSON: I am afraid I cannot find the plan relating to this clause.

The **CHAIRMAN:** I think it totally unfair to the Committee that discussion should be suspended while an hon. member looks for a plan, the Bill having been here for about eight days.

Hon. J. NICHOLSON: I am very sorry, Sir; but it is difficult to find the plan. I want to ask the Chief Secretary whether any blocks of land will be affected by the closing of Streatley-road. The clause begins—

That portion of Streatley-road in the City of Perth, starting from a line joining the north corner of Lot 100

Now, Lot 100 is not shown on the plan, and one is at a loss to know where it is. Obviously, certain blocks will be affected by the closing of the road.

The CHIEF SECRETARY: I cannot supply the information the hon. member requires. This request was put up by the City Council, and the representatives of the Metropolitan Province ought to be in a position to say whether the road should be closed or not.

Hon. Sir WILLIAM LATHLAIN: This is one of the schemes of the City Council. Allotments are being resumed where there are no buildings, more particularly in Victoria Park where, strange to say, although there is a vast area of land, no provision was ever made for reserves. The Town Clerk has been very keen on creating reserves in a number of these places. Last year we passed a similar Bill to provide facilities for a recreation ground at Victoria Park and the Bill before us will provide another opportunity. Provision is being made for recreation reserves before any buildings are erected on the lands.

Clause put and passed.

Clause 4—Closure of portion of Thompson-road, North Fremantle:

Hon. E. H. GRAY: I move—

That the clause be struck out.

The CHAIRMAN: The hon. member will vote against the clause.

Hon. E. H. GRAY: The Minister will offer no opposition to the clause being deleted. There has been a misunderstanding with regard to it, and the matter was brought under the notice of members for the West Province only yesterday. The closure of this street will cause considerable inconvenience in the event of the endowment lands there being settled.

Hon. J. J. HOLMES: In connection with similar Bills I have always taken up the attitude that the closure of streets should have the endorsement of local authorities. With regard to Clauses 2 and 3, we know that the City Council want those roads closed. We learn now that the North Fremantle Council are not desirous of having this road closed and therefore I shall vote against the clause.

Hon. W. H. KITSON: I regret that the North Fremantle Council were not ap-

proached with regard to the closure of this street, and to show how that body viewed the proposal I would like to read the following letter I received from the Town Clerk at North Fremantle yesterday:—

Re closing of Thomson-road. I have been instructed by my council to draw your attention to the fact that the proposal to close this road has only just been brought under our notice through the Press. We understand that the Bill has passed one House. I have to register the emphatic protest of the council against this action, primarily on account of the fact that the road runs a little to the east and north into the University endowment lands at the north end of the town. We understand there is a movement to open up this land for building purposes, and consequently the closure of the road will obliterate the main artery to that area. We have no desire to impede the progress of the State, but we are surprised that we were not consulted.

In view of these facts, I shall vote against the clause.

The CHIEF SECRETARY: When the Bill came under my notice, it was apparent that there had been no reference to the North Fremantle municipality with regard to the suggested closure of Thompson-road. I got into touch with the Lands Department and decided that I would not introduce the Bill unless I was supplied with full information. The Lands Department gave me an assurance that they would send an officer to interview the North Fremantle Municipal Council, and yesterday I was informed that that body was strongly opposed to the closing of the road. I shall not oppose the clause being struck out.

Hon. G. W. MILES: It was explained to me yesterday that the land referred to near Rocky Bay has no buildings on it. It is Government land, and it is proposed to sell it by auction. At the top end there are a couple of buildings and it is proposed to make a road through to Victoria-avenue.

Clause put and negatived.

Clause 5—Closure of portion of Coventry-parade, North Fremantle:

Clause put and negatived.

Bill reported with amendments and the report adopted.

Third Reading.

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

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

In Committee.

Resumed from the previous day. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 4—Amendment of First Schedule:

The CHAIRMAN: The question before the Chair is that Clause 4 stand as printed.

Hon. J. NICHOLSON: I move an amendment—

That after "maintenance," in line two, the words "not exceeding 10s. per day" be added. I understand that a flat rate has been arranged.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That in line 5 all the words after "Act" be struck out.

The CHIEF SECRETARY: If Mr. Nicholson's amendment is carried, while the worker would be entitled to surgical and medical attention, he would not be entitled to medicine, bandages or anything to assist in his cure. Surely that is going too far.

Hon. E. H. Harris: Cannot a worker get those things now?

The CHIEF SECRETARY: If the Act was tested, he would not be able to get them. I do not know whether there has been any case.

Hon. E. H. Harris: It has not been actually tested?

The CHIEF SECRETARY: I have no record of its having been tested.

Hon. J. NICHOLSON: I am informed that the question has never been raised and I am assured that no reputable company would ever raise it.

Hon. E. H. Harris: I think it must have been raised or it would not be provided for.

Hon. J. NICHOLSON: It seems as though the words have been appended to the clause instead of being made to precede the words "hospital charges for treatment and maintenance." They are out of place.

The CHIEF SECRETARY: The provision in question was not in the Bill when it was introduced; it was inserted in another place. A man might be treated in his own

home and there is no provision for the payment for medicine obtained from the chemist.

Hon. W. H. KITSON: There have been cases in which companies have refused to pay for the requisites considered necessary by the doctor. The member for Fremantle satisfied the Minister and the Assembly that there had been several such cases, and the amendment was agreed to there.

Hon. E. H. HARRIS: Mr. Nicholson said that no reputable company would refuse to pay. If it is necessary to legislate for other than reputable companies, we should pass the clause so that all will be on an equal footing.

Hon. J. NICHOLSON: The words are of wide significance. Medical and surgical attention would be sufficiently comprehensive to include everything.

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

Ayes	..	..	..	13
Noes	..	..	..	8

Majority for .. 5

AYES.

Hon. C. F. Baxter	Hon. G. Potter
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. H. Stewart
Hon. G. A. Kempton	Hon. Sir E. Wittenoom
Hon. Sir W. Latblain	Hon. H. J. Yelland
Hon. J. M. Macfarlane	Hon. J. Ewing
Hon. J. Nicholson	(Teller.)

NOES.

Hon. J. R. Brown	Hon. J. W. Hickey
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. E. H. Gray	Hon. H. Seddon
Hon. E. H. Harris	Hon. A. Burvill
	(Teller.)

Amendment thus passed; the clause, as amended, agreed to.

New clause:

Hon. J. NICHOLSON: I move—

That the following be inserted to stand as Clause 5:—"Section 4 of the First Schedule is hereby amended by inserting after the words 'provided and paid by the employer' the following words:—'and the worker shall also accept as his medical attendant during such period of his illness or incapacity as the employer may determine such medical practitioner as the employer may nominate.' In the same section after word 'examination,' in third line, insert the following words:—'or to the attention and treatment of such medical practitioner.' Also in the same section strike out the words 'has taken place' appearing in line six, and insert the following: 'at-

tention and treatment has taken place and been determined or concluded.' Also in the same section insert after the word 'examination,' in seventh line, the following words:— 'attention and treatment.' Also in same section strike out the word 'month,' in the seventh line, and insert 'week' in lieu thereof."

New Clause put and division bells rung.

The CHAIRMAN: Under the Standing Orders the Chairman has a vote. He may or may not state his reasons for exercising it. I shall cast my vote with the Noes, and will now proceed to appoint tellers

Division taken with the following result:—

Ayes	..	..	..	10
Noes	..	..	..	10
				—
A tie	..	..	..	0
				—

AYES.

Hon. C. F. Baxter	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. H. Stewart
Hon. Sir W. Lathlain	Hon. H. J. Yelland
Hon. J. M. Macfarlane	Hon. G. Potter

(Teller.)

Noes.

Hon. J. R. Brown	Hon. E. H. Harris
Hon. A. Burvill	Hon. W. H. Kitson
Hon. J. Cornell	Hon. H. Seddon
Hon. J. M. Drew	Hon. Sir E. Wittenoom
Hon. E. H. Gray	Hon. J. Ewing

(Teller.)

The CHAIRMAN: The voting being equal, the question passes in the negative.

Hon. J. J. Holmes: That is two votes for the Chairman.

The CHAIRMAN: No!

New clause:

Hon. J. NICHOLSON: I move—

That a new clause be added, as follows:— 'The schedule to the principal Act is hereby further amended by inserting a new section after Section 14, to be numbered 14a. 14a. If an employer or worker dispute the charges of any medical practitioner for service to a worker under this Act, the Clerk of a Local Court, on application being made to him by either party, shall on payment by the applicant of such fee, not exceeding £2, as is prescribed by any rule of court, refer the disputed charges to a medical referee who shall decide the amount of such charges, and whose decision shall be final and binding on such medical practitioner in respect of the services charged for.

New clause put and passed.

New clause:

Hon. H. SEDDON: I move—

That a new clause be added as follows:— Amendment of Section 7; 5. A subsection is hereby added to Section 7 of the principal Act as follows:—(13) Subject to the provisions of this section, if a worker, disabled by disease from earning full wages at the work at which he was employed, is found to be suffering from a disease to which this section does not apply, and also from silicosis, pneumoconiosis, or miners' phthisis, and his disability is partially caused by such industrial disease due to the nature of his employment, the worker shall be entitled to a proportionate part of the compensation payable under this section apportioned to the degree to which such disability is caused by silicosis, pneumoconiosis, miners' phthisis, as the case may be.

I intend to provide for those men who are at present prevented from receiving any compensation if they are only slightly affected by the diseases mentioned. I have had the clause drafted after consultation with the Crown Solicitor.

Hon. J. NICHOLSON: It would be difficult to agree to the proposal. The clause is far reaching. There is a proper method for dealing with these particular diseases, and that is by the establishment of a fund to meet these cases.

Hon. W. H. Kitson: How would you raise the fund?

Hon. J. NICHOLSON: This is a national matter.

Hon. A. Burvill: What would happen in the meantime?

Hon. J. NICHOLSON: The proposed new clause would create a difficult position.

Hon. E. H. HARRIS: I am surprised at the view expressed by Mr. Nicholson. The Crown Solicitor thought these men were already entitled to compensation, but to make perfectly certain of the matter he drafted this amendment. Although 50 per cent. are afflicted with the disease the men cannot derive any benefit from the Workers' Compensation Act. Instead of these men going on the land they will say, "Our only hope of getting any compensation is to stay in the mining industry until we come within the scope of the Act."

New Clause put and passed.

Title:

Hon. H. SEDDON: It will be necessary to amend the Title. I move an amendment—

That the Title be amended by the addition of the following words:—"and to add a subsection to Section 7 of the said Act."

Hon. J. NICHOLSON: It will be necessary to alter the title very considerably.

The CHAIRMAN: That is the hon. member's look out.

Hon. J. NICHOLSON: Earlier in the proceedings I called attention to the fact that the Title would have to be amended.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That in lines three and four the words "paragraph (c) in the proviso to Section one of," and in line six, the words "and Section fourteen of the said Schedule" be struck out.

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

Bill reported with amendments, and the report adopted.

Read a third time.

BILL—APPROPRIATION.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [11.24] in moving the second reading said: The Bill covers the three Supply Bills already passed and appropriates the balance, provided on the various Estimates. The amounts appropriated by Special Acts are excluded. The Bill also approves of expenditure in excess of votes last year as set out in Schedules F, G, H. All schedules follow the same lines as last year, and are self-explanatory. The result of last year's operations on Revenue Account was a small surplus:—

Expenditure totalled	..	£9,722,588
Revenue totalled	..	9,750,838
Surplus	..	£28,245

The result did not vary to any great extent from the original Estimates. The expenditure was £58,063 below the amount estimated. Hon. members will have noticed that the revenue was also below the expenditure, but only to the extent of £17,285. The net improvement on the original estimate was, therefore, £17,285. It may be stated that the only variation of note from the estimate of expenditure as prepared, was in connection with the suspension of the debit for sinking fund and interest on certain stocks held by the Sinking Fund Trustees.

This was done in consequence of the proposed Financial Agreement with the Commonwealth Government. Expenditure, however, did not receive the benefit of this suspension. It was placed to a Suspense Account pending the approval of Parliament. If the agreement is approved of, this amount will be used to provide for losses on account of group settlement. If not approved, the money will be paid to the trustees, the same arrangement being followed this year. Although there was not a great difference in the total amount collected as compared with the estimate, income tax showed a heavy falling-off, both as compared with the previous year's collections, and the estimate for last year. This was due to the operation of the reduction of 33½ per cent. in the rate of tax. The railways also returned less than was expected, but there was a corresponding reduction in expenditure. Increases in other departments were not important. It is expected that there will again be a surplus this year.

Revenue is estimated at	..	£9,877,496
Expenditure	..	9,843,397
Surplus	..	£34,199

The estimates are framed along the same lines as last year. No change has been made in taxation. It is expected that the favourable results from this season's harvest will be reflected in several ways. Railways should largely benefit in consequence. A larger increase in Lands Department receipts is anticipated. This is due to the proposal to sell a block in Barrack-street to the Savings Bank. This transaction, however, will have no effect on the result for the year as a similar amount (£40,000) has been placed in suspense for use in connection with the proposed new offices, the expenditure in connection with which is estimated to be £120,809. Increases are shown by many departments, as is only to be expected in a growing State, but, in the main, they are not large. Railways, on the other hand, are responsible for £247,772 above last year; Tramways, £20,993; Electricity Supply, £20,500. The railway's increase is natural, seeing that a much larger amount of business is expected on account of the good season. The tramway business is expanding with the growth of the metropolitan area, and the same applies to the electricity supply. Loan Acts show a decrease of £115,292,

instead of the usual increase. As I mentioned when dealing with the saving on this Vote for last year, this is the result of the proposed Financial Agreement with the Commonwealth Government. Sinking fund payments are to be made this year partly by the State and partly by the Commonwealth. The consequent saving to the State is to be placed in suspense pending the ratification of the agreement. If the agreement is ratified, interest on certain stocks in the hands of the Trustees will not be payable. This has also been placed in suspense for the time being. Should the agreement fail to obtain the necessary approval, this money will be available for the sinking fund. The anticipated saving has had no effect on the financial result for the year. The total amount is being placed in suspense, under Treasury "Miscellaneous," to be subsequently appropriated by Parliament. Should the agreement be rejected, the State will not be called upon to repay the amount paid in by the Commonwealth. I do not desire to discuss the various phases of the Financial Agreement at the present juncture. A special session is to be held for that purpose, and we shall then have a full opportunity for the discussion of all phases of the proposal.

Hon. A. Burville: When do you expect the special session?

The CHIEF SECRETARY: I think it will be some time in January.

The PRESIDENT: Order! I have received from the Assembly a message calling for immediate attention.

BILL—DOG ACT AMENDMENT.

Assembly's Further Message.

Message received from the Assembly notifying that it had agreed to the Council's request for a conference, and had appointed Hon. J. Cunningham and Messrs. Latham and North as managers, the Speaker's room as the place, and 11.30 p.m. as the time.

The PRESIDENT: It is past the appointed hour, so I shall leave the Chair.

Sitting suspended from 11.32 p.m. till 12.12 a.m. (Saturday).

Conference Managers' Report.

Hon. C. F. BAXTER: I have to report that the managers met, and although they reached an agreement in respect of amendments Nos. 1, 2, 4, and 5, they disagreed on No. 3. I move—

That the report be adopted.

The PRESIDENT: I presume the House is aware that that means the Bill is laid aside.

Question put and passed.

BILL—MEEKATHARRA-WILUNA RAILWAY.

Assembly's Message.

Message received from the Assembly notifying that it disagreed to the amendment made by the Council. (Vide page 2536.)

In Committee.

Hon. J. Cornell in the chair; the Chief Secretary in charge of the Bill.

The CHAIRMAN: The reason advanced by the Assembly for disagreeing to the Council's amendment is that the amendment introduces an entirely new principle into the Bill, which has never been applied to any other Bill of a similar nature.

The CHIEF SECRETARY: I move—

That the Council's amendment be not insisted upon.

Hon. V. HAMERSLEY: We have previously passed amendments to railway Bills of a similar nature to this, and there have been conferences upon such matters. Because the principle does not actually appear in any railway Bill that is no reason why it should not do so in this one. Railways are being constructed irrespective of what they are likely to cost. We are charged with the responsibility of seeing that they are built within reasonable financial bounds. Unless tenders are called for railways how can we know what they are to cost? The same thing applies to a good deal of our road construction. We should make an earnest attempt to have all such big works carried out by contract. This Bill provides for no small expenditure. It is reasonable to suppose that it would be worth any contractor's while to look into the matter with a view to tendering for the work. There

are contractors in the State who would probably be only too glad to put in tenders.

The CHIEF SECRETARY: It is very unfortunate that on the first occasion when it is sought to bring this innovation into operation it should be upon a Bill to provide for the construction of a mining railway. Scores of railway Bills have been introduced during the last decade, but no attempt has been made to insert this provision in any of them. Even last night, when another railway Bill was dealt with, the opportunity was not taken to embody this principle in it. Now that it is proposed to build a mining railway, some members conceive the idea of inserting in the Bill a provision which the Government cannot accept. There are two ways of killing a Bill, the direct and the indirect way. I hope it is not in the minds of members to kill the Bill.

Hon. G. W. MILES: The Chief Secretary said this was the first time an amendment of this kind has been inserted in a railway Bill. I think in the Pemberton-Denmark Railway Bill we inserted a similar amendment, but the department were given the opportunity to tender. It is time some check was put upon the day labour system. Money is being squandered wholesale, and the taxpayers are called upon to provide the necessary interest and sinking fund. If the department happens to be the successful tenderer in this case it should be tied down to the amount of its tender.

Hon. E. H. GRAY: Where has money been squandered?

Hon. G. W. MILES: On the Canning road, for instance. Work is costing far more than it should do under the present system.

Hon. E. H. GRAY: That may be, but the work is better done.

Hon. G. W. MILES: Not at all. I hope the Committee will insist upon its amendment.

Hon. J. NICHOLSON: I am sorry the Chief Secretary should think any attack is being made upon a mining Bill. I am sure it is not in the mind of any member that the Bill should be destroyed. In all big contracts we should adopt means of getting the work done at the cheapest possible rate and in the best possible way. If good work can be more cheaply done under one system than another the interest bill will be less. If this railway is constructed by the cheapest method it is more likely to be remunerative than if the cost is greater. Our sole desire is to assist in the construction of the

line, and to see the work carried out successfully.

Hon. J. R. Brown: That will not go down. You want to give the contractor the money instead of the worker.

Hon. J. NICHOLSON: In the interests of the finances of the State it would be a good thing to pass an enactment that all work involving a certain expenditure should be subject to tenders.

Hon. Sir Edward Wittenoom: With the alternative of day labour if that is the cheaper.

Hon. J. NICHOLSON: The Public Works Department should be given the opportunity to tender with the others.

The CHAIRMAN: That alternative is not in the Bill.

Hon. E. H. GRAY: I remember the construction of the line between Tambellup and Ongerup. After the first heavy rain a good deal of the line was washed away owing to the bad workmanship done by the contractor. The Government had to spend a lot of money in putting the matter right. Splendid work has been done under the day labour system by the Perth City Council. I used to think Parliament House had been built under the day labour system. I now find that it was not so built. The very place groans with illustrations of bad workmanship. It is a jerry-built structure, and is a disgrace to any contractor. Wherever we go we see shoddy work done by contractors.

The CHAIRMAN: This building is not under discussion.

Hon. E. H. GRAY: It is a glaring advertisement of the shoddy work that some contractors can do. Our railway lines have often been built in the same shoddy manner.

Hon. G. W. MILES: How is the Trades Hall standing? That was built by day labour.

Hon. E. H. GRAY: I am sorry to see this side issue brought in.

Hon. A. BURVILL: I am still in favour of this railway being built, but I am also in favour of our amendment. Perhaps the amendment could be modified to provide for the Public Works Department putting in a tender for the work. It is time the present system of carrying out our public works was stopped, and that a check was put on the day-labour system. Under the contract system, the same men would be employed, and at the same wages; but the contractor would not allow any shenanigans amongst the workers.

The CHAIRMAN Order!

Hon. A BURVILL: The contractor would have supervising officers, who would see that the work was carried out properly. It is want of such supervision that causes the loss of a great deal of money under day labour. Extras, in particular, mount up the cost of work, frequently far beyond the departmental estimate.

Hon. V. HAMERSLEY: I take exception to the Minister's innuendo or suggestion that this question was not raised on a railway Bill previously before the Chamber.

The CHAIRMAN: Does the hon. member want any remark of the Chief Secretary withdrawn?

Hon. V. HAMERSLEY: That Bill was merely a matter of three miles of line, for the sake of which a contractor would hardly move his plant.

Question put, and a division called for.

The CHAIRMAN: Before appointing tellers, I inform the Committee that I cast my deliberative vote with the Ayes.

Division taken with the following result:—

Ayes	..	..	..	11
Noes	..	..	..	10
				—
Majority for	..	..	..	1
				—

AYES

Hon. J. R. Brown	Hon. J. W. Hickey
Hon. J. Cornell	Hon. G. A. Kempton
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. J. Ewing	Hon. G. Potter
Hon. E. H. Gray	Hon. H. Seddon
Hon. E. H. Harris	(Teller.)

NOES.

Hon. A. Burvill	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. Sir E. Wittenoom
Hon. Sir W. Lathlain	Hon. H. J. Yelland
Hon. G. W. Miles	Hon. J. M. Macfarlane
	(Teller.)

Question thus passed: the amendment not insisted on.

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

BILL—ROADS CLOSURE.

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

BILL—APPROPRIATION.

Second Reading.

Resumed from an earlier stage of the sitting.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central): I now resume my remarks on the Appropriation Bill. I think it can safely be claimed that the finances are in a much better position than previously. With reasonably favourable seasons the State should be well on the way to prosperity. From present indications there appears every possibility of the estimate being realised. The General Loan Fund last year was £719,293 below the provision. However, all work possible was pressed on. £613,695 was spent on Railways, including £111,157 for rolling-stock. This latter amount would have been greater had it been possible to get material. We have the material now, and the necessary work is being pushed on. The programme includes 355 steel wagons. These are being issued at the rate of 40 a month: also 75 louvred vans and 15 brake vans, and ten 2-berth sleepers. Large additions to the rolling-stock will be essential in the future. The amount provided under Loan this year is slightly less than was asked for last year but more than was actually spent last year.

£

The estimate for this year is 4,829,409
Last year's expenditure was 4,113,054

The increase being .. £716,355

Four new railways are provided for, the Bills of which have been before this Chamber. They are:—Ejanding-Northward. Kalkalling-Bullfinch, Yarraunony Eastward, Brookton-Dale River. The Ejanding Northward is being pushed on, and should be finished late next year. A commencement has been made with the Kalkalling-Bullfinch. Lines in hand last year which have not been completed are being proceeded with. The Albany-Denmark extension should be finished early next year. A large supply of rails and fastenings is being ordered. Surveys are in hand for—Mt. Barker-Manjimup, Boyup Brook-Cranbrook, Brookton-Dale, Ejanding Northward, and Lake Grace-Bullfinch railways. The Wiluna survey will be commenced and necessary water supplies will be dealt with. Regrading, ballasting, etc., of existing lines is being carried out by the Railway De-

partment in order to allow of heavier loads and consequently increased return from existing stock. I have already referred to the work at present being done in order to meet the growing demand for rolling stock. The only work authorised last year in connection with tramways, etc., in hand is being dealt with this year. The same applies to the electricity supply, the 5th unit being responsible for the bulk of the amount appearing on the estimates. Although a substantial increase appears under harbours and rivers, no new works appear. Fremantle is responsible for an increase of approximately £20,000. Improvements to harbours and rivers amount to £18,000. The latter includes a variety of works. Water supplies show an increase of £187,000 over last year, and of the country water supplies account for all but £60,000. The sewerage of the metropolitan area, which was commenced some time ago requires £20,000 more than was spent last year. The metropolitan water supply is expected to cost £38,000 above what it did last year. A very small sum is being spent directly in the metropolitan area: almost the whole of it goes to the country areas. Liberal provision has again been made under the head of Development of Agriculture. All the items have previously appeared. Group Settlement is set down for £300,000, rather less than was spent last year, but still a very large sum. The board recently appointed have taken up their duties, and it is hoped they will be able to reorganise this undertaking. It is also hoped that the settlers will become self-supporting. A large increase appears under Roads and Bridges, etc., £563,400 being provided as compared with an expenditure last year of £300,266. The roads agreement with the Commonwealth Government accounts for the bulk of this. It will be recollected that a considerable amount of trouble has been experienced in meeting the demands of the Commonwealth Government in connection with the scheme. Various conferences were held last year without much satisfaction having been obtained. Another is now being held at Canberra, at which it is hoped some more reasonable arrangement will be arrived at. A large amount of our expenditure could not be dealt with last year owing to this, and comes into the current year. Consequently it inflates this year's figures and renders comparison with last year unreliable. In addition to this work the Government are carrying out the

work of reconstructing the Canning-road. This is a very old road, and it is doubtful if it was ever properly constructed; certainly not to carry anything like present day traffic. A large amount of traffic would, under normal conditions, pass over it, but it had become almost impassable. When it is reconstructed it is hoped that it will divert a fairly large amount of traffic from the Perth-Fremantle-road, for the position of the latter is becoming serious. It is carrying an enormous volume of private motor traffic in addition to taxi-cabs and motor buses. From Claremont to Fremantle there is only one road to take the whole of this traffic. The North Fremantle bridge also carries tram traffic. The position has been brought about by our increasing development, and has to be faced. Road construction is being carried out by our Main Roads Board engineers. The work is extremely costly, but no road is of the slightest use which will not meet motor traffic requirements. Provision has also been made for equipping the prison farm, which forms part of the property recently acquired near Mt. Barker, for pine plantation and Prison Farm combined. The prisoners will work on the farm and also carry out pine planting. This farm fills a long felt want in the direction of prison reform. About 30 prisoners will be kept there. The amount of £66,000 appearing under the head of "Other Undertakings" is for capital for State Trading Concerns. A sum of £2,000 is provided for an additional crusher at Boya Quarry, and £14,000 for the Corrigin State Hotel, where the accommodation was much below requirements. The final payment on the new motor ships is also provided for. The amount of £30,000 for the State Sawmills is for final payments in connection with the removal and reduction of No. 4 Mill, and plant for Carlisle and Holyoake. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair: the Chief Secretary in charge of the Bill.

Clauses 1, 2, 3—agreed to.

Schedules A, B, C—agreed to.

Schedule D:

Hon. A. BURVILL: The Loan Bill provides £120,000 for the reconstruction of the Canning-road, an extraordinarily large sum to spend in the neighbourhood of the metropolis when the total allotted for similar work throughout the State is only £300,000. In fact, the disproportion is startling. Money for road construction is best spent in districts where the expenditure will produce a return.

The CHIEF SECRETARY: The matter requires explanation, which at the moment I am unable to furnish. All this was news to me until recently. The only explanation I have so far received is that the road is solidly built for heavy motor traffic.

Hon. J. EWING: Can the Minister give the Committee some idea of the Government's policy regarding the completion of Parliament House? A resolution on the subject was passed by both Houses during this session; it asked that the building should be completed to mark the centenary of the State. The "Hansard" quarters are a rabbit warren, and the position is bad for members as there is not a room to which they can take friends visiting them here. Some statement should be made regarding the policy of the Government. Visitors from overseas take photographs of Parliament House and display them as illustrating Western Australia's parliamentary institution, but they really disclose the back entrance. If those people were to see the plans of the completed building in the Speaker's room, they would realise what a beautiful edifice we will have in due course. The two legislative Chambers are comfortable, but the rest of the building is not at all satisfactory for the convenience of members. While the old Houses of Parliament in New South Wales are located in a small building, yet there are rooms available for members where they can interview their constituents, but we have no such facilities here. The Loan Estimates show that the loan authorisation for public buildings totals £1,258,184, of which the unexpended balance as at the 30th June last, including provision on the Loan Bill, was £115,642, while the estimated expenditure for the current year is £100,000, which will leave an unexpended balance of £15,642. I know that will not be adequate to provide for the completion of Parliament

House, which will mean an expenditure of £60,000 or so. In the interests of the State, quite apart from the requirements of members and the "Hansard" staff, this matter should be gone into.

The CHIEF SECRETARY: The Government are favourably inclined towards the proposal, and are sympathetic too. Steps have already been taken to ascertain the probable cost of completing the building. The Treasurer is much afraid that he will not be able to find the whole of the money to complete the work for the centenary. However, it is probable a start will be made. It is still being regarded as a matter connected with the centenary.

Hon. A. BURVILL: I should like to draw attention to the item in the Loan Estimates in which £2,400 is provided for the Pardelup Prison Farm. I congratulate the Government upon the work they are undertaking. It is one of the finest efforts in prison reform that has been inaugurated and I trust excellent results will be obtained.

Schedule put and passed.

Schedule E—agreed to.

Schedule F:

Item—Benger Swamp, Damage by defective drains, £4,353 4s. 9d.:

Hon. A. BURVILL: I understand legal proceedings were taken in connection with the damage that was done to property owing to defective drains and that the case was settled out of court for £1,000. How is the larger amount accounted for?

Hon. C. F. Baxter: There were other claims.

Hon. A. BURVILL: Were the defective drains constructed by the Public Works Department?

The CHIEF SECRETARY: I have no information on that point.

Division—State Accident Insurance Office:

Hon. J. J. HOLMES: There are several items under the heading of State Accident Insurance Office. These, including an allowance of £25 to the Mine Workers' Relief Fund regarding which I take no exception, total £558 3s. 4d. Then there is the line: "Less rebated to State Accident Insurance Trust Fund. £558 3s. 4d." Is this an appropriation, or is it not? If it is an appropriation,

then there is no necessity for it as to-day we decided that no State insurance was to be carried on. I proposed to ask the Committee to delete this portion of the Schedule, but the question has arisen as to whether this is an appropriation. Is it, or is it not? Can the Leader of the House give me any information on the point?

The CHIEF SECRETARY: No. I have no information about it.

Hon. J. J. HOLMES: In the absence of any information, I move an amendment—

That the following portion of the Schedule be struck out:—

State Accident Insurance Office—Salaries.

	£	s.	d.
Allowance to Government Actuary and to Deputy Registrar General	37	10	0
Proportion salaries of Registrar General's Department ..	427	0	0
Clerk, overtime allowance ..	29	0	0
Clerk, increase £36 per annum from 1st December	18	3	4
Clerks (2): 1 at £300; 1 at 9s. 6d. per diem	21	10	0

The CHIEF SECRETARY: It is not very clear, but my impression is that this refers to the Government Workers' Compensation Fund. I would not like to state that as a fact to the Committee, but that is my impression.

Hon. J. J. HOLMES: If that is so, where is the appropriation for the State Insurance Office? It must be somewhere.

Hon. C. F. Baxter: They have no authority.

Hon. J. J. HOLMES: If I am striking out the wrong item, I do not know that it is my fault. Referring to last year's Appropriation Act, I find there are the items: Friendly Societies and Registry, temporary clerical assistance, £201 0s. 10d.; incidentals, £42 11s. 1d.; total, £243 11s. 11d. I have been advised that that portion crept through last year without having been noticed, and that from that vote there was paid the additions to the salaries of officials who carried out the Government insurance work. I understand that Mr. Bennett carries on his ordinary official duties and conducts the insurance business with a separate staff. If we are not to have State insurance, we do not need any staff.

Hon. J. NICHOLSON: I should like to ask whether there is an appropriation for this business. The amounts appropriated

appear in the second column of the Schedule and no amount appears there. It would appear that there is no appropriation.

The CHAIRMAN: I had already discovered that, but it is a matter for the Committee to find out.

Hon. J. NICHOLSON: I see a difficulty here.

Hon. J. J. HOLMES: There is no difficulty about it. If we strike out this item we shall be striking out the next item also, "Less rebate to the State Accident Insurance Trust Fund £558 3s. 4d.

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

Ayes	10
Noes	12

Majority against .. 2

AYES.

Hon. C. F. Baxter	Hon. J. M. Macfarlane
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. Sir E. Wittenoom
Hon. G. A. Kempton	Hon. H. J. Yelland
Hon. Sir W. Lathlain	Hon. G. W. Miles

(Teller.)

NOES.

Hon. J. R. Brown	Hon. J. W. Hickey
Hon. A. Burvill	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. J. Nicholson
Hon. J. Ewing	Hon. G. Potter
Hon. E. H. Gray	Hon. H. Seddon
Hon. E. H. Harris	Hon. H. Stewart

(Teller.)

Amendment thus negatived.

Item, Assisted Hospitals, Grants-in-aid of maintenance, etc., £649 15s. 3d.:

Hon. G. W. MILES: The Trotting Association has held certain meetings in aid of hospitals and other charities, and the Government have collected entertainment tax and totalisator tax from those meetings. This has been brought under the notice of the Government in another place. I think the Government should waive the tax on all meetings in aid of charity. Before the present Government came into power this was done.

Hon. E. H. Harris: Waived in full?

Hon. G. W. MILES: I am told so. During the 1925-26 season the total tax collected on charity meetings amounted to £2,757, leaving profits amounting to £2,160. During the 1926-27 season the tax was £2,940, and the amount left for charities £1,974. In 1925-26 a meeting was held in aid of the Y.A.L. building fund. The totalisator tax

on that meeting amounted to £466, and the amount left for the fund was £314. A meeting in aid of the Hospital Saturday and Sunday Appeal produced a profit of £316, the totalisator tax yielding £488. Then there was a meeting in aid of the Roman Catholic charities, the profit being £478 and the tax £565. I am told by the president of the Trotting Association that the Government refunded the tax on this meeting. I hold that if they refund the tax on the meeting for the Roman Catholic charities, they should refund it on all other charity meetings.

The Chief Secretary: Who refunded it?

Hon. G. W. MILES: The Government. That was told to me by the president of the Trotting Association last Saturday. It should be refunded to all charity meetings. I should like to hear the opinion of the Minister on that point. At a meeting in aid of the Children's Hospital the profit was £526, and the taxation £572. At a meeting in aid of the metropolitan charities the profit was £523, and the taxation £663. When these organisations get up a meeting in aid of charities, the least the Government can do is to refund the taxation.

The CHIEF SECRETARY: The hon. member should have asked a question about this long before; not waited till the last hour of the session, when it is impossible for me to reply to it. It is not fair. I know nothing about the matter, have never previously heard of it.

Hon. G. W. Miles: It was brought up in the Assembly last year.

The CHIEF SECRETARY: If it is considered the Government have acted unfairly, have refused to do something done by previous Governments, it is strange we have had no deputation to the Premier about it. Surely that would have been the proper course to adopt, to wait on the Premier or the Minister concerned and make representations.

Hon. G. W. MILES: The Minister has said several times during this sitting that certain questions should have been brought up earlier. Every session since I have been in the House I have taken exception to the way the business is rushed through during the last week of the session. The Appropriation Bill and the Loan Bill are brought down at the last minute. When the Appropriation Bill is brought down members should have a chance to speak to it, so that

the Minister later on can reply. It is not the fault of the House if things are brought up at the last minute, but the fault of the Government in rushing the business at that last minute. This question was not brought to my notice till last Saturday, and the information I have was not handed to me till yesterday. It has been brought under the notice of the Government, but they continue to collect this totalisator tax on charity meetings. It is unjust.

Hon. J. R. Brown: You have had all the week in which to bring it up.

Hon. G. W. MILES: I did not get this information till yesterday, but it was brought before another place last year. It is not my fault that it has not been brought up here before, but the fault of the Government in withholding the Appropriation Bill till the last minute.

The CHIEF SECRETARY: Ever since I have been in Parliament it has been the custom for the Appropriation Bill not to be submitted till the closing day of the session. Last year I tried an experiment, submitting the Bill a few days before the end of the session. But certain members came to me and said it was irregular, that all the legislation should be completed before the Appropriation Bill was submitted. That is the proper course, and I have followed it again this year.

Hon. G. W. MILES: In previous years the Appropriation Bill has been introduced before the last night of the session. Consider the Minister's position! Points are raised and questions asked and the Minister cannot reply to them. It is due to members that they should get information, and it is impossible for the Minister to give information if the Bill is brought down on the last day of the session. If the Bill were brought down a few days earlier, it need not be finalised until the last day.

Hon. J. J. HOLMES: A position has arisen that I hope will not occur again. We have been seeking information and have been unable to obtain it. I do not expect the Chief Secretary to be able to reply to questions thrown at him at this hour of the morning, but I expect him to have in his possession information on items contained in the schedules. There can be no objection to the Bill being introduced and dealt with in the second reading and Committee stages

before the last day of the session, but I hope the House will not pass the third reading until the programme of legislation has been disposed of. If the second reading were discussed earlier, the Minister would be able to obtain the information desired. Probably the State insurance item would have been voted out but for the doubt raised whether the item in the schedule deals with the State Accident Office or the illegal office that is being carried on by the Government. I am now convinced that it deals with the State Accident Office and not with the illegal office. Therefore I should like to know by what means the Government propose to pay the salaries attached to the illegal insurance office that is being carried on.

THE CHIEF SECRETARY: The salaries are paid out of the moneys received, so I have been given to understand.

Hon. J. NICHOLSON: Is there any appropriation of money for the State Insurance Office? When Mr. Holmes moved his amendment I realised that there was a difficulty, but I have searched the schedules to find some possible clue to the appropriation of an item to meet the payments. I was satisfied that the item referred to by Mr. Holmes dealt with the State Accident Office.

Hon. J. J. HOLMES: Not only are the Government carrying on an illegal insurance office but they are appropriating the funds without the knowledge of Parliament. If the rules of the Chamber will permit me to say so, that is red hot. When the third reading is submitted I shall move for a postponement in order to allow time for the information required to be obtained.

Schedule put and passed.

Schedules G, H, Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [153]: I move—

That the Bill be now read a third time.

HON. J. J. HOLMES (North) [154]: I move an amendment—

That the word "now" be struck out, and the words "on Tuesday next" be added.

The PRESIDENT: Would it not serve the hon. member's purpose if he moved the adjournment of the debate till Tuesday next?

Hon. J. J. HOLMES: That will serve the same purpose. I move—

That the debate be adjourned till Tuesday next.

The Honorary Minister: Move that the House adjourn, too! Make a job of it!

Hon. J. J. HOLMES: I have asked for information and have not received it. If we have no right to it, why is the Bill before us?

The PRESIDENT: A motion for adjournment cannot be debated.

Motion put and a division taken with the following result:—

Ayes	..	..	10
Noes	..	..	13
Majority against			3

AYES.

Hon. C. F. Baxter	Hon. G. W. Miles.
Hon. V. Hamersley	Hon. J. Nicholson
Hon. E. H. Harris	Hon. H. Stewart
Hon. J. J. Holmes	Hon. H. J. Yelland
Hon. Sir W. Lathlain	Hon. J. Cornell

(Teller.)

NOES.

Hon. J. R. Brown	Hon. J. M. Macfarlane
Hon. A. Burvill	Hon. G. Potter
Hon. J. M. Drew	Hon. H. Seddon
Hon. J. Ewing	Hon. H. A. Stephenson
Hon. E. H. Gray	Hon. Sir E. Wittenoom
Hon. J. W. Hickey	Hon. W. H. Kitson
Hon. G. A. Kempton	

(Teller.)

Motion (adjournment) thus negatived.

Question put and passed.

Bill read a third time and passed.

Sitting suspended from 2 a.m. to 3.30 a.m.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Assembly's Message

Message from the Assembly received and read, notifying that it agreed to the Council's amendment No. 2 subject to a further amendment in which the Assembly desired the concurrence of the Council, and disagreed to Nos. 1 and 3 to 7, both inclusive, and giving reasons.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

No. 1. Clause 2. Delete "or" and insert "and" in line one. Delete "and" and insert "or" in line two, and delete the words "in line ten of paragraph (b) of Subsection 2" and insert in lieu thereof the words "where the same first appears in the second line of Subsection 1."

The CHAIRMAN: The Assembly's reason is as follows:—

Is a retrograde step which in the opinion of the Legislative Assembly is unjustified.

The CHIEF SECRETARY: I move—

That the amendment be not insisted upon.

Hon. J. NICHOLSON: This is the first of the amendments I moved, and a vital one. I hope hon. members will bear the position in mind and insist upon the amendment.

Question put and negatived; the Council's amendment insisted upon.

No. 3. Clause 4. Insert a new subclause to stand as Subclause 1, as follows:—"The following words are added at the end of paragraph (b) of the proviso to Section 1 of the First Schedule to the principal Act: 'Provided that during such time as the worker may be in a hospital or other place for treatment the value of such board and lodging shall not be added to his wages for the purposes of assessing compensation.'"

The CHAIRMAN: The reason advanced by the Legislative Assembly is—

It would be unjust to differentiate between the man whose wages are all in cash and the man whose wages are partly in the form of board and lodging.

The CHIEF SECRETARY: I move—

That the amendment be not insisted upon.

Hon. J. NICHOLSON: I hope the Committee will insist. To omit the proviso would be unfair.

Question put and negatived; the Council's amendment insisted upon.

No. 4. Clause 4. Insert after "maintenance," in line two, the words "not exceeding ten shillings per day."

The CHAIRMAN: The Assembly's reason is—

This amount may, in many cases, be insufficient.

The CHIEF SECRETARY: I move—

That the amendment be not insisted upon.

Hon. J. NICHOLSON: Half-a-guinea per day is allowed, I understand. Unless a limitation is placed in the clause, the position will be fraught with considerable difficulties.

Question put and negatived; the Council's amendment insisted upon.

No. 5. Clause 4. Delete all words after "Act" in line five, down to and inclusive of "paragraph" in line seven.

The CHAIRMAN: The words sought to be struck out are necessary, according to another place, in order to ensure complete provision and surgical requirements.

The CHIEF SECRETARY: I move—

That the amendment be not insisted upon.

Question put and negatived; the Council's amendment insisted upon.

No. 7. Insert a new clause as follows: "The Schedule to the principal Act is hereby further amended by inserting a new section after Section 14, to be numbered 14a: 'If an employer or worker disputes the charges of any medical practitioner for services to a worker under this Act, the clerk of a local court, on application being made to him by either party, shall on payment by the applicant of such fee, not exceeding £2, as is prescribed by any rule of court, refer the disputed charges to a medical referee, who shall decide the amount of such charges and whose decision shall be final and binding on such medical practitioner in respect of the services charged for.'"

The CHAIRMAN: The reason given by the Assembly for disagreeing to the amendment in that machinery for the appointment of medical referees is lacking.

The CHIEF SECRETARY: I move—

That the amendment be not insisted upon.

Hon. J. Nicholson: I hope the Committee will insist upon the amendment.

Question put and negatived; the Council's amendment insisted upon.

No. 8. Title: Insert after "six" in line one the words "and Section Seven"; delete the words "paragraph (c) in the proviso to Section One of" in lines three and four; delete the words "and Section Fourteen of the said Schedule" in the last line.

The CHAIRMAN: The Assembly's reason for disagreeing is "Consequential."

The CHIEF SECRETARY: I move—

That the amendment be not insisted upon.

Hon. J. Nicholson: It may be necessary.

Question put and negatived; the Council's amendment insisted upon.

No. 2. Clause 3.—Delete all words after "board" in line three down to and inclusive of "employer" in line seven and insert in lieu thereof the words: "consisting of the Principal Medical or a deputy appointed by him, who shall be chairman, and two medical practitioners registered under the Medical Act, 1893, one to be nominated by the employer and the other by the worker."

The CHAIRMAN: The Assembly has amended the Council's amendment by striking out "the Principal Medical Officer or a deputy appointed by him," and inserting the words: "one medical practitioner to be appointed by the Governor" in lieu.

The CHIEF SECRETARY: I move—

That the Assembly's amendment on the Council's amendment be agreed to.

Question put and passed; the Assembly's amendment on the Council's amendment agreed to.

Resolutions reported and the report adopted.

Sitting suspended from 3.50 a.m. to 1 a.m.

Assembly's Request for Conference.

Message from the Assembly received and read requesting a conference on the amendments insisted on by the Council in the Workers' Compensation Act Amendment Bill, and notifying that if a conference were agreed to by the Council, the Assembly would be represented by three managers.

In Committee.

The CHIEF SECRETARY: I move—

That a message be sent to the Assembly agreeing to a conference, notifying that the Hon. J. M. Drew, Hon. J. Nicholson, and Hon. H. Seddon had been appointed managers on behalf of the Council and appointing the Chief Secretary's room as the place and the time forthwith for holding the conference.

Question put and passed.

Resolution reported, the report adopted and a message accordingly returned to the Assembly.

Sittings suspended from 4.12 a.m. to 6.15 a.m.

Conference Managers' Report.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [6.16]: I have to report that the conference Managers have met and come to an agreement as follows:—

The Legislative Council's amendment No. 1 is not agreed to, and in lieu thereof is substituted the following:—Clause 2 of the Bill is deleted. The Legislative Council's amendment No. 3 is not agreed to. The Legislative Council's amendment No. 4 is amended by the insertion after the word 'shillings' of the words 'and sixpence.' The Legislative Council's amendment No. 5 is not agreed to, and in lieu thereof is inserted the following:—'paragraph (e) of the proviso to Clause 1 of the first schedule is amended by the insertion after the word 'of' in line 2, of the words 'medicines, medical or surgical requisites, and.' The Legislative Council's amendment No. 7 is not agreed to. The Legislative Council's amendment No. 8 is consequentially amended.

I move—

That the report be adopted.

HON. J. NICHOLSON (Metropolitan) [6.18]: I second the motion. In the case of the first amendment, the Conference agreed that the Act should stand as it is. The Clause as originally presented goes by the board. Amendment No. 3 was proposed by this House, and deals with the value of board and lodging. This was not agreed to. With regard to No. 4, by a slip the amount appeared as 10s. when it should have been 10s. 6d., which amount was agreed to. In the case of No. 5, the Conference deemed that the words 'and incidental thereto' were too wide in meaning, and it was agreed to insert in lieu the words contained in the report. In the case of No. 7, there is a prospect that the matter will subsequently be dealt with in another way, and it was agreed that the clause should be struck out. No. 8 relates to the Title.

Question put and passed, the report adopted, and a message accordingly returned to the Assembly.

Assembly's Further Message.

Message from the Assembly received and read notifying that it had adopted the report of the conference on the Worker's Compensation Act Amendment Bill.

CLOSE OF SESSION.

Complimentary Remarks.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [6.25]: I move—

That the House at its rising adjourn until Tuesday, the 17th of January.

I congratulate you, Sir, on the able and creditable manner in which you have held the position you occupy. I wish, in the first place, to tender to you, on behalf of members and on my own behalf, as Leader of the House, hearty thanks for your kindness and consideration during the session. You have performed your very responsible duties with care and consideration. In paying this tribute of regard I wish to state that we are specially grateful for the strict impartiality that you have shown to every member, an attitude which is indispensable to the proceedings of so important a body as this House. We fully recognise that you have so carefully studied and are so thoroughly well versed in the great constitutional principles on which our procedure and our Standing Orders are based, that you justify unreservedly our confidence and reliance in your rulings. I also wish on behalf of members, and on my own behalf, to express sincere thanks to Mr. Cornell, the Chairman of Committees. Mr. Cornell has set a very high standard in his chairmanship, and I must confess I regard him as an ideal occupant of the position. He has been accurate, and most clear and concise in assisting us out of the difficulties into which we may from time to time fall in the execution of our duties in this House. I compliment the Clerk of Parliaments, Mr. Parker, and the Usher of the Black Rod, Mr. Brown, on the way in which they have attended to their duties and given valued help to members. The Chief Messenger and the officers of the House are also deserving of our thanks for the expeditious attention they have shown to our requests. The efforts of the Chief Hansard Reporter, Mr. Ramaciotti, and his chosen recorders, merit our greatest praise. I have received from them every courtesy in my severe demands for the transcriptions of members' criticism from time to time, and I wish to acknowledge my great indebtedness to them. I wish also to express my very cordial appreciation of the kind and sympathetic support I have received from members of the

House during the session, and particularly during the strenuous labours of the last few days. I trust everyone will enjoy the approaching festivities, and that the New Year will bring both health and prosperity to all.

HON. SIR EDWARD WITTENOOM

(North) [6.30]: I have pleasure in supporting the remarks of the Chief Secretary. Speaking as I am as the result of the strenuous exertions of the last few hours I assure you, Sir, that my feelings are so strong that they will support me in making a few remarks that will elaborate those which have been submitted by the Leader of the House. I congratulate you, Mr. President, upon the manner in which you have carried out your duties. I know what those duties are. I have followed them with you with a certain amount of sympathy—I will not say envy. I know exactly what comes within the scope of those duties, and how few people realise what the President of this House has to go through. To my sympathy with you in the discharge of these onerous duties is attached a great deal of admiration for the excellent manner in which you have carried them out, with so much satisfaction to all concerned. During the session there have been one or two occasions which have called for the best abilities of the occupant of the office of President, more especially when it has come to a question of defining the position that should be occupied by the Legislative Council. I have no hesitation in saying that your pronouncements in that regard have been of a most satisfactory nature. In this I am reflecting the admiration of all members. The Chairman of Committees has done his work splendidly, and has shown great courtesy and tact. It is almost superfluous to say anything of the Chief Secretary, but we all want to place on record our appreciation of the admirable work he has done, his unfailing courtesy and his marked ability in conducting the affairs of the House. I suggest to him that in future he would be wise to bring down some of the more important Bills, such as the State Insurance Bill, a little earlier in the session. The staff attached to the House have been in all respects satisfactory. I have pleasure in supporting the Chief Secretary's remarks and in wishing you all a very merry Christmas, a happy New Year and the best of health.

HON. V. HAMERSLEY (East) [6.35]: I fully endorse all that has been said by the Chief Secretary and Sir Edward Wittenoom, and I fully appreciate all that you, Sir, as President, have been to us. I appreciate also the services rendered by the officers of the House. The session has passed very satisfactorily. The reason why members all get on so well together is, I think, that we all respect each other and avoid indulging in partisan spirit. I remind those members with nothing to fear that a number of us shortly will have to go before our electors. If I am fortunate enough to be returned once more I shall be sorry indeed to learn that any other has fallen by the wayside.

THE PRESIDENT [6.37]: I very much appreciate for myself, for the Chairman of Committees and the officers of the House generally the very kind remarks that have been made. To the casual observer it may seem a very simple matter to conduct the business of the House, and particularly simple when everything runs smoothly. It is only one like Sir Edward Wittenoom, who has been in the position himself, who knows how easy it is to make mistakes. Only by constant attention is it that errors are avoided. If I have succeeded as President, and if the Chairman of Committees has succeeded to the extent to which you are good enough to say we have succeeded, it is only because we have been assisted by members themselves in observing the Standing Orders. And we have been helped by the Chief Secretary and the Honorary Minister through the consideration they have always paid to us, and we have been helped also by the Clerk of Parliaments and the Clerk Assistant. I join with what has been said as to the gratitude we all owe to the officers of the House and to the "Hansard" staff. I sincerely hope that all members will enjoy a merry Christmas and a happy New Year, and that in the coming year the State will continue progressive and prosperous.

HON. J. CORNELL (South) [6.46]: You, Sir, have been good enough to return thanks for me, and so my task is easy. I rise to particularly thank you, Sir, and all members of the House, and the staff down to the humblest employee for the courtesy and kindly consideration extended to my old friend and colleague, the Hon. J. E. Dodd, who has asked me to say that for him. Mr. Hamersley has referred to those members who will have to

appear before the judgment bar of the country early next year. I am one of those who dislike changes. I have a strong preference for the old things and old practices, and the worst luck I wish the retiring members is that they will all come back again.

Question put and passed.

House adjourned at 6.43 a.m. (Saturday).

Legislative Assembly,

Friday, 9th December, 1927.

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

BILL—DOG ACT AMENDMENT.

Council's Amendments.

Message from the Council received and read notifying that it had agreed to the Bill subject to a schedule of five amendments, which were now considered.

In Committee.

Mr. Lutey in the Chair; Mr. Latham in charge of the Bill.