of hospitals, neither country nor metropolitan hospitals can go on spending indefinitely without attempting to collect hospital fees, and then expect their deficits to be made up from the hospital fund.

Mr. McLarty: They make every effort to collect fees.

The MINISTER FOR HEALTH: Some of them do not. So much has been admitted. The same reply can be made to the member for Swan. There is not a committee hospital or a district hospital that does not get a subsidy.

Mr. Sampson: But private hospitals in small districts?

The MINISTER FOR HEALTH: No private hospital ever has had or ever will have such assistance, because under the Act it cannot be done. And why should we subsidise private hospitals? The Leader of the Opposition said there was a loss of £1,000 a year on the drug stores. If he had read the report he would have seen that the deficit last year was £143, and that previously it had exceeded £1,000. From the hospital fund point of view it showed a profit last year of over £6,000, money saved which otherwise we would have had to spend. If we had had to call tenders from the quotes that we get locally, we would have had to pay £6,000 to supply our hospitals with the necessary drugs.

Mr. Sampson: Do country hospitals get that advantage?

The MINISTER FOR HEALTH: Yes, every one of them. In regard to silicosis, I have taken action. I have done everything I can to persuade those interested in that man's case, and the man himself, to go to Kalgoorlie. I have offered to pay his fare up and his expenses while there, in order that he may be examined at the laboratory, which in Western Australia is the only authority on silicosis. But neither his companions nor he will go. He refused point blank. I offered to send three men to see if we could get any trace of silicosis in them at the laboratory, but they will not go.

Hon. C. G. Latham: You cannot do more than that.

Vote put and passed.

Vote—Public Health, £37,415—agreed to.

House adjourned at 11.9 p.m.

Legislative Council,

Tuesday, 27th October, 1936.

ABSENCE OF PRESIDENT.

The ACTING CLERK: It is my duty to announce that the President is absent from Perth on public business, and it is therefore necessary for members to elect one of their number to fill the office, perform the duties and exercise the authority of President during the absence of Sir John Kirwan.

The CHIEF SECRETARY: I move—

That the Hon. J. Cornell be elected to fill the office, perform the duties, and exercise the authority of the President during the absence of Sir John Kirwan.

Question put and passed.

The Deputy President took the Chair.

AUDITOR GENERAL'S REPORT.

The DEPUTY PRESIDENT: I have to announce that I, on behalf of the President, have received the Auditor General's report for the year. I now lay it on the Table of the House.

QUESTION—MINERS' RELIEF COST.

Hon. A. THOMSON asked the Chief Secretary: 1, What amount has the Miners' Phthisis Act cost the State? 2, What amount has been contributed by the State to the Mine Workers' Relief Fund since its inception?

The CHIEF SECRETARY replied: 1, £437,324. 2, £139,776.

BILL—PEARLING CREWS ACCIDENT ASSURANCE FUND.

Further report of Committee adopted.

BILL—WESTERN AUSTRALIAN BUSH NURSING TRUST.

Read a third time and transmitted to the Assembly.

BILL—ELECTORAL ACT AMENDMENT.

Second Reading.

HON. C. F. BAXTER (East) [4.35] in moving the second reading said: This is only a small Bill containing really two clauses. One of them, the more important, provides for compulsory voting for the Legislative Assembly. When speaking on the Address-in-reply I dealt with this subject, and stated that while as a rule I was adverse to anything of a compulsory nature, recent happenings at elections had produced such a position that no one could deny that compulsory voting was necessary for the Legislative Assembly. I mention the Assembly for two reasons. The main reason is that that House is the one where Governments are brought into being. Practically speaking the most important measure on the statute-book is the Electoral Act, but the franchise privilege which it extends has not been availed of by the number of electors we might reasonably expect. Governments who are brought into being under the Electoral Act not only deal with matters in Parliament, but are responsible for administering the laws and the affairs of the State. It is reasonable to say that the work of Governments touches the everyday life of the whole of the people. Yet electors to whom the franchise has been extended show such indifference that they do not take the trouble to record their votes on polling day. Obviously something more is needed, and the only thing to be done is to agree to the provision for compulsory voting. The figures for the recent election afford an interesting comparison with those for the 1933 election when, to all intents and purposes, voting was compulsory. I have met a few people who went to the poll in 1933 when they were required to vote on the secession referendum, and who informed me that they did not take the trouble to vote for a representative of the district. That shows the apathy of electors. I shall not weary members by reading the whole of the percentages, because the figures are available to all, but I will quote the figures for two or three districts to show the indifference of electors. In the Claremont election in 1933, 91.6 per cent. of the electors recorded their votes—a very good percentage—but in the election at the beginning of this year, the percentage dropped to 63.55. In other words one-third of the electors failed to vote.

Hon. J. Nicholson: What was the cause of the higher percentage in 1933?

Hon. C. F. BAXTER: Voting on the secession referendum was compulsory, and so the voting at the elections held at the same time was also practically compulsory. In Kalgoorlie in 1933 the percentage was 89.39, whereas in 1936 it was only 57.64; in Yilgarn-Coolgardie, the percentage dropped from 87.7 in 1933 to 59.29 in 1936. I admit that those are some of the worst percentages, but even taking the whole of the 50 electorates, exclusive of those for which the members were returned unopposed, the average in 1933 was 90.6 compared with 70.13 in 1936. There is only one way to overcome the indifference of electors, and that is by compelling them to record their votes. Already they are compelled to enrol, but that apparently has achieved no good because the figures show that electors are not as energetic as they were previous to compulsory enrolment. Western Australia is one of the two States of the Commonwealth that have not adopted compulsory voting for the Legislative Assembly. The only other State is South Australia. Many electors in this State—and I suppose the same remark applies to other States—decline to go to the poll unless a conveyance is sent for them, but people should take an interest in the affairs of the country and find their own means of reaching the booth.

Hon. A. M. Clydesdale: Why not make voting compulsory for this Chamber as well?

Hon. C. F. BAXTER: I am not averse to that, but to apply compulsory voting to this House would be difficult because of the qualifications for enrolment. Victoria certainly has adopted compulsory voting for its Legislative Council, but I consider that the system there is still in the experimental stage. If members so desire, I am willing that compulsory voting be extended to this House, but I am afraid its adoption would create a certain amount of chaos.

Hon. J. Nicholson: A suggestion of that kind was made some years ago, but we found it impossible of achievement.

Hon. C. F. BAXTER: Not quite impossible.

Hon. J. Nicholson: Well, difficult.

Hon. C. F. BAXTER: In Victoria compulsory voting for the Legislative Council applies to one province only. The elector is enrolled for the province in which he resides, and in that province voting is compulsory, but not in other provinces for which he has a vote. Compulsory voting might assist to get the rolls in better order. Still, as I remarked, compulsory voting for the Legislative Council in Victoria is still in the experimental stage, and it might be as well for us to defer action for a year or two in order to see how the scheme works there. The only other amendment proposes to extend the time of the closing of the poll from 7 p.m. to 8 p.m. This again should not be necessary, but it is necessary on account of electors confounding the closing of the State poll with that of the Federal poll. As we cannot control the closing of the Federal poll, the wise and proper thing is for us to extend the closing hour of the State poll to 8 p.m. With that alteration I believe members will agree. Clause 3 was amended in another place by striking out "twenty-one" days and inserting "forty-two." The provision reads—

> Before sending any such notice the returning officer shall insert therein a date, not being less than forty-two days——

I would like hon. members to mark the word "less"—

> after the date of posting of the notice, on which the form attached to the notice, duly filled up and signed by the elector, is to be in the hands of the returning officer.

That amendment, I understand, was carried to meet the position in the North; but 42 days is a long period to be hanging over. Certainly there is no justification for it in the southern part of the State. With regard to the North and other outlying parts, returning officers will not force the position; but they cannot date the notice with less than forty-two days. In my opinion, twenty-one days is quite sufficient. I point this out to hon. members. If they desire to let the 42 days remain, I have no quarrel with it. I am sure hon. members generally appreciate the necessity for compulsory voting. In the case of any hon. member who does not, the drop which has taken place in votes recorded will show that the change is essential. The extension of polling hours is also highly necessary. I commend the measure to the House, and move—

> That the Bill be now read a second time.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West [4.47]: As pointed out by the hon. member who introduced the Bill, only two points are involved. Both those points were included in the Electoral Bill submitted to Parliament during the last session, and I think met with the approval of members. Dealing with the first point, compulsory voting, it has always seemed strange to me that Parliament should insist on compulsory enrolment and not on compulsory voting. Numerous electors are always indifferent when an election comes around, not caring whether they exercise their civic rights or not. Certainly, if we agree to compulsory voting it will lead to a greater number of electors exercising the franchise than do so at present; but I am not too sure that this will mean their registering their votes in, shall we say, a reasonable way. Still, I do not think that will matter for the time being. After members of the community have realised that by Act of Parliament they are called upon to record their votes, they may be prepared to give a little more attention to the issues at stake and thus be led to register votes in accordance with their opinions. The percentage of votes recorded at some elections has been indeed low. That low percentage, in my opinion, has not in all cases resulted from mere indifference. In some cases it may have resulted from the condition of the rolls. I feel sure that if the Bill is carried, it will automatically lead to a cleansing of the rolls and to an improvement in their condition at all times. The mere fact that those who are enrolled and do not record their votes will be communicated with by the Chief Electoral Officer will bring to light, I imagine, many cases of persons being enrolled who should not be enrolled. In many other ways, too, the passing of the Bill will lead to purer rolls than we have at present. Experience of elections where compulsory voting has applied does show that there is more interest taken in such elections than in cases where compulsion does not exist. To that extent the first amendment is desirable and I shall not oppose it. As Mr. Baxter has pointed out, in only two States of the Commonwealth does compulsory voting for the Lower House not apply. If the Bill is agreed to, as I believe it will be, it will leave South Australia the only Australian State without compulsory voting. As regards the second amendment, having reference to the extension of the hours of polling

to 8 p.m., I consider uniformity desirable. Those of us who have been actively associated with elections over a period of years must realise that the average elector is not too clear on matters of this kind. For instance, on the question of enrolment, if one advises a person that he or she is not upon the Assembly roll, the person will say, "Only a month or two ago I received an acknowledgment from the Electoral Department." Further inquiry discloses that the person has done what is necessary in connection with the Commonwealth roll but has neglected to do what is necessary in connection with the State roll, or vice versa. Then, again, there is the additional roll for the Legislative Council. Undoubtedly a good deal of confusion exists in the minds of many electors in regard to both enrolment and polling hours. I do not say that is any excuse, because electors are notified in many ways that State polling hours are from 8 a.m. to 7 p.m. It is strange to find so many people assuming that the State poll does not close until 8 p.m. Therefore the adoption of the proposal for uniformity of polling hours between the Commonwealth and the State should also be to the benefit of the people generally. Accordingly I do not raise any objection to that amendment either. Certainly the position cannot be much worse than it is at present in Western Australia with regard to percentages of electors recording their votes. I do sincerely hope that if the Bill becomes law, we shall get a larger percentage of votes recorded at our elections and thus have more ground for feeling satisfied that the Government are elected as the result of the will of a majority of the electors.

HON. J. NICHOLSON (Metropolitan) [4.55]: I have heard that the Bill was introduced in another place by a private member. Consequently it was sponsored by the same method here. I am sure that the private member of another place and also the private member who has been good enough to introduce the measure here, must feel a sense of appreciation at the words of commendation expressed by the Leader of this Chamber in supporting the Bill. There is a great deal to be said in favour of compulsory voting, and the reasons advanced by Mr. Baxter furnish strong grounds for the carrying of the Bill. The Chief Secretary has pointed out that this State, with one other State, are the only States within the Commonwealth where compulsory voting in regard to Legislative Assembly elections does not exist. That fact adds a further reason why we should adopt a system which obviously has been found beneficial in the States which have adopted it. Another reason which might be furnished is that compulsory voting would serve, if not in the immediate present, certainly in the near future, to give a truer reflex of the opinion of the electors as a whole at an election. One sometimes hears dissatisfaction expressed at the return of one member or another by a small or scanty poll. It is probably not a compliment to a member to be elected on a small poll. It would be a better compliment to him to find himself elected by a majority of the electors on the roll. That again, in my opinion, furnishes a good reason for passing the measure. Probably there is much to be said in support of what the Chief Secretary urged, that at present many electors do not interest themselves in political matters to the extent they should, because we are here as representatives of the people, and the more the people become acquainted and familiarise themselves with proceedings in Parliament, the better it will be for everyone. Some reference was made to compulsory voting for this Chamber, but I think what Mr. Baxter has stated in that regard explains the reason why it is not proposed to apply the system here. If Mr. Clydesdale would refer to the position and examine it a little more closely, he would find that difficulties do exist in the way of compulsory voting for this Chamber, because of the qualifications for electors here.

Hon. A. M. Clydesdale: There is just the same apathy with regard to this House.

Hon. J. NICHOLSON: I admit that, and it has not passed unobserved. In fact, it has received comment on more occasions than one; and suggestions have been made as to the desirableness of doing something in that direction. But difficulties do exist. It may be possible in course of time for something of the same sort to be introduced for the Legislative Council. In view of what has transpired, and having regard to my own feelings on the subject and the fact that the Bill has originated in another place, being introduced there by a private member and passed by that House, there is reason for giving the measure favourable consideration here.

HON. W. J. MANN (South-West) [5.0]: I will support the second reading, for I am a firm believer in the principle of compulsory voting, particularly since we already have compulsory enrolment. I am sorry the Bill does not go farther and include the Legislative Council. There may be difficulties in the way, but I am sure it is not beyond the wit of man to overcome them. The promoters of this Bill, I believe, did take the matter into consideration, as Mr. Baxter assured us, and I should like to see the Bill referred back so that its sponsors might make provision for this House also. Some of the percentages that have been recorded during the last half-dozen Council elections have been so small as to be just over 40 per cent., which is scandalously low. I have here a return showing that the difference at the two latest elections for another place, in the number of votes polled, was no less than 20 per cent. In 1933, when the secession referendum was before the people, there was an average poll of 90.60 per cent., whereas this year the percentage was only 70.13. The sooner the people are brought to recognise their duty towards the country and Parliament by exercising their franchise, the better it will be for them and for us. I will support the Bill and, as I have said, I should like to see some move taken to include this House.

Hon. A. Thomson: Why do you not take it?

HON. L. B. BOLTON (Metropolitan) [5.3]: I support the remarks of Mr. Mann. I should be pleased of an opportunity to vote for an amendment to the Act which would make voting compulsory. As one who had some experience of elections before coming into the House, I know how difficult it is to get electors to the poll. The figures quoted by Mr. Mann of the two latest elections for another place are in themselves sufficient evidence to induce the House to support the Bill. Also I would strongly support an amendment making compulsory voting applicable to the Council. There is not the least doubt in my mind that it can be done, and I think this is the time when we should do it. Those of us who know the difficulties of getting electors to exercise the vote will, I feel sure, support such a move. I am strongly in favour of the Bill, but I suggest that it be so amended as to make it apply to the Legislative Council too.

HON. G. FRASER (West) [5.5]: I will support the Bill, not so much because I am in love with 8 p.m. as a time for closing the polling, but because of the confusion that arises in the minds of many people as to whether the closing hour is 7 p.m. or 8 p.m. I think a poll extending from 8 a.m. to 7 p.m. is quite long enough, but we find that, on account of the Federal polling continuing till 8 p.m., quite a number of people, being unaware of the difference between the closing hours of Federal elections and State elections respectively, arrive at the State polling booth after it has closed. To avoid that confusion, since the Federal authorities will not alter their closing hour, the only thing for us to do is to make our closing hour for polling 8 p.m., and thus bring the two into uniformity. As to compulsory voting, I have been in favour of that for a long time past. It is disheartening, when we get elections decided on a 50 per cent. poll. Like the Chief Secretary, I believe also that the fact of being compelled to vote will induce a lot of people to take an interest in politics who do not do so to-day. Both the principles contained in the Bill will serve to improve the Electoral Act, and so I will support the second reading.

HON. A. THOMSON (South-East) [5.7]: I will support the second reading. The Bill, of course, deals exclusively with the Legislative Assembly elections. There is already a penalty of £2 for the elector who fails to enrol, and I think we should adopt a similar penalty for failing to vote. When we were on that select committee last year, serious doubts were raised as to the practicability of having compulsory enrolment and compulsory voting for the Council. Personally, I could not see any insuperable difficulty. Just the same, I think it would be wiser if we passed this Bill, and left it to those members who believe in compulsory voting for this House to bring down another measure devoted to that end. That would be better than jeopardising this measure by amending it. If a Bill were brought down here to provide compulsory voting for the Council, I am sure that another place would readily pass it, just as they have passed the Bill now before us.

HON. H. V. PIESSE (South-East) [5.10]: I will support the Bill. After having read the report of last year's select committee, I am sure the Bill will go through this House without any objection being taken to it. I should like to see compulsory voting for the Council, but Mr. Thomson has just expressed the opinion that the better way to proceed would be to pass this Bill as it stands and then try to get another measure dealing with this House. I agree with that view.

HON. J. J. HOLMES (North) [5.11]: I support the Bill. The qualification for the Assembly is residential, which, of course, means residence in some locality in an electorate. If the elector be in that locality on polling day, he should be compelled to vote. But when we come to apply the principle to the Legislative Council, which is based on a property qualification, I do not see how we could effect it. Many difficulties would arise. A man might have a property qualification and yet be out of the State on polling day.

Hon. A. M. Clydesdale: The provision works all right in Victoria; why should it not work here?

Hon. J. J. HOLMES: Some of the electors have votes for every province. Would such a man be penalised for not having voted in each of the provinces? Compulsory enrolment and compulsory voting on a property qualification would set up many difficulties. I therefore suggest that we pass this Bill and if, as an Act, it works all right, we might then go farther into the question of applying the principle to the Council.

On motion by Hon. H. Seddon, debate adjourned.

BILLS (5)—FIRST READING.

1, Reciprocal Enforcement of Maintenance Orders Act Amendment.
2, Legal Practitioners Act Amendment.
3, Child Welfare Act Amendment.
4, Land Tax and Income Tax.
5, Land and Income Tax Assessment Act Amendment.

Received from the Assembly.

BILL—PETROLEUM.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [5.4]: It is recognised by members that this measure is a most important one. I should like to congratulate Mr. Seddon on the instructive and informative address he gave when speaking on the second reading. The hon. member threw quite a lot of light on the subject, which will enable members to realise the difficulties in the way of securing the necessary finance and organisation to prosecute the search for oil in Western Australia. In the course of his remarks, Mr. Seddon expressed some doubt as to whether the Bill provided adequate inducements to attract the investment of overseas capital in the search for oil in this State. He quite rightly pointed out that in view of the financial outlay involved, oil prospecting is not a game for the small prospector or the weak company. Experience has shown that that is so, not only in this country but elsewhere. The hon. member suggested, however, that the areas which the Bill proposes to grant as petroleum leases will be insufficiently extensive or attractive to warrant the expenditure necessary for their development. It will be recalled that provision is made in the Bill for the Minister to grant to the first discoverer of oil within the State, a reward lease covering the whole of the individual oil-bearing structure up to a limit of 225 square miles. Again, the first licensee to discover payable petroleum in any other oil province, apart from that wherein was made the first discovery, may be granted a reward lease of four miles square or 16 square miles. The second licensee to make a discovery in the same province may be rewarded with a grant of four square miles, provided, however, that the Minister is satisfied that the discovery is of a new deposit. So we have the position that the State is to be divided into five oil provinces, and to the first who discovers oil we are giving the equivalent up to 225 square miles, if necessary, while for the second discoverer in some other province we shall reward him up to the extent of four miles square, or 16 square miles. Ordinary leases will comprise 160 acres each, and up to five may be held by the same person in the same province. It is provided, however, that not more than two such leases shall adjoin one with the other. These lease areas were the subject of considerable discussion between the Minister for Mines and the Commonwealth experts—Doctors Wade, Ward, and Woolnough, who are at present visiting the State

to examine oil possibilities in the North. Those gentlemen agreed that the areas, both for reward and ordinary leases, were quite sufficient. According to Dr. Wade, the area provided by the Bill for a reward lease to the first discoverer of oil in the State, namely, 225 square miles, would cover any oil basins that he had detected from surface indications. We can assume that the moment oil is discovered in the State, and more particularly if a strong company begins operations, there will be no lack of capital as far as other parts of the State are concerned. It is therefore only right that we should give all the encouragement we can so that oil may be discovered, and there will be no need for further inducements other than those contained in the Bill. The initial discovery, then, is the one we must encourage, and to this end the Bill provides that the first discoverer shall be amply rewarded. With regard to permits to explore, it shall be left to the discretion of the Minister as to the number of such permits to be issued for any one province. Mr. Seddon suggested that if a person obtained a permit for a given period, he should then be granted the exclusive right to explore for oil in a specified area. Although the Bill does not propose that the holder of a permit to explore shall be entitled to any such right, it does provide that as many as five exclusive prospecting licenses, each covering an area of 225 square miles, or 15 miles square, may be granted for any one province to any permittee who carries out preliminary exploratory operations to the satisfaction of the Minister. It is intended that the holder of a permit to explore shall engage in purely preliminary operations. Thus a permittee shall not be allowed to drill, other than for the purpose of procuring scientific information, and then only with the written consent of the Minister. Further, it is provided that regular reports shall be furnished to the Minister by permit holders, setting forth the results of the operations they have conducted. Again, the Minister may at any time direct a permittee to carry out specified operations in connection with his survey. These provisions have been designed with a view to ensuring that the work of preliminary exploration in each province shall be thoroughly co-ordinated. When a permittee has satisfied the Minister that he has carried out his obligations under his permit, he may then be granted five or fewer licenses to prospect. The issue of the license will give him the opportunity to scientifically exploit his prospecting areas, as indicated by Mr. Seddon. In this connection the hon. member stressed the necessity for ensuring the efficient development of such oil structure as may be discovered. Another point raised by the hon. member touched upon the efficient development of such oil structures as might be discovered. An endeavour has been made in the Bill to prevent the mistakes of the past, both in this country and other countries. It is provided, for example, that the Governor may make regulations for ensuring that precautions shall be taken against flooding; for regulating the spacing of oil wells; for providing methods to be adopted upon the abandonment of oil wells; or for any other measure deemed necessary to give effect to the objects of the Bill. These provisions have been arrived at after due consideration of all the circumstances of the case. The Government are naturally desirous of giving what encouragement they can in the direction of discovering oil. It is felt that after collaboration with those people who should know what is necessary, the Bill does provide reasonable conditions, and that the suggestions put forward by Mr. Seddon, while they are justified from the point of view of the individual, are perhaps not justified in the present circumstances. Mr. Seddon also referred to the scale of royalties set forth in the schedule. He contended that, in comparison with those obtaining in other parts of the world, the rates in the Bill are too high. I referred his comments to the Minister for Mines. His reply to me is that in view of all the circumstances it is considered that the rates are reasonable, and that whilst one can point to some other countries where the rates are not so high as are provided in the Bill, when compared with legislation existing in all those countries where oil is or is likely to be discovered, the rates in this Bill are favourable. Whilst I feel the Bill is one that lends itself more to a discussion in Committee, and I have no doubt Mr. Seddon in particular will deal more extensively with some of these points, I trust the House will support the second reading. If there are any amendments to be moved in Committee and members will place them on the Notice Paper, I and the department can examine them and obtain the real perspective concerning any proposal that may be advanced. We are desirous of giving all the encourage-

ment we can to searchers for oil. Up-to-date we believe the provisions of the Bill are quite satisfactory from this point of view. I do not propose to take the Bill into Committee this afternoon, but, if the second reading is agreed to, I hope the members will put their amendments on the Notice Paper as early as possible.

Question put and passed.

Bill read a second time.

BILL—STATE TRANSPORT CO-ORDINATION ACT AMENDMENT (No. 3).

Second Reading.

Debate resumed from the 21st October.

HON. H. V. PIESSE (South-East) [5.35]: I supported the Bill which Mr. Thomson brought down before, and had a lot to say in favour of it. He, Mr. Wittenoom, and I, represent the South-East Province, which includes Kojonup, a district that is unfortunately placed with respect to its railway. It would be a gracious act on the part of the Government to agree to allow those who wish to appeal, the right to do so. It may be said that it would establish a precedent if this right were given. Where that right is necessary, and where the railways will not give the service at an economic travelling rate of freight, it is time that people in our country districts were allowed to appeal from the decisions of the Transport Board. There are many points between country districts and the city where lines cross with the Great Southern. We know that if the Great Southern line had been built along its proper course many years ago it would have passed through Dale and Brookton, and so saved to the districts concerned a considerable amount in transport costs. Because a mistake was made years ago there is no reason why motor transport should not be allowed in such a progressive centre as the district to which I have referred. Last week I had the pleasure of making a tour through that area. I should have been glad to attend the annual show there to-day, but I thought this Bill was of more importance to the district. I gave up the pleasure of going to the show so that I might give my vote in favour of the measure if the question were put this afternoon. I hope members will give consideration to the Bill that has been placed before them by Mr. Thomson. It has my whole-hearted support, and I hope it will be carried.

HON. J. M. DREW (Central) [5.37]: To my mind this is a most dangerous Bill. I cannot understand how members, who presumably have given consideration to its provisions, can support it in view of its consequences to the State. The sting is in the tail of the Bill, but really it is more than a sting, it is a javelin cast at the best interests of the State, the interests of the Railway Department, which means the interests of the taxpayers of Western Australia. Mr. Thomson proposes to destroy a vital portion of the State Transport Co-ordination Act. He proposes doing so by repealing Section 2 of Section 24 of that statute. That is the bone and marrow of the Bill before us. The section provides for the right of appeal, in the case of the owners of commercial goods vehicles, only to those who were operating on specific routes on the 31st December, 1933. There were good reasons for that provision. Vested interests had arisen. There were those who had been engaged in commercial transport for a number of years. They had built up a good business, and it seemed only logical to members of this House and another place, as well as to the Government of the day, that some court of appeal should be provided to meet the peculiar circumstances. A few appeals were made to magistrates under the Act, but they failed in every instance. Negotiations subsequent to that were carried on between the men concerned and the Transport Board. Six months' grace was given from the 31st December, 1933, to the 30th June, 1934. No persons other than those who were engaged in transport work for the twelve months ended the 31st December, 1933, could appeal. Mr. Thomson's Bill would remove every possible limitation. He would open the door to all who have been engaged in the business connected with commercial goods vehicles. If the door were open to everyone, what would happen if the board refused an application? We should have appeals made to any magistrate within the State who lived in a district which would be served by the route under consideration. They would approach the resident magistrate, who, if the ordinary security of £10 were put up, would be obliged to hear the appeals. Hundreds of applications would be put in, not only on the part of those who did not appeal in the first case, but by

all others, by everyone concerned. Any aggrieved person could appeal. Hundreds of applications would be made for licenses for commercial goods vehicles if this Bill were passed. No doubt those applications would be refused by the board, and then would follow the appeals. Municipalities and road roads would come very prominently into the picture. A petition signed by 20 ratepayers would give the right of appeal to a municipality or road board. There would be no difficulty in getting up a petition. There is a prominent agitator in every community, excepting perhaps in the pastoral community. His business would be to get the petition signed. If the community consisted of 200 persons he would be able to get not only 20 signatures, but probably about 150. Those people would have no knowledge of the contents of the petition, but they would listen to his pleadings. It would be an easy matter for the agitator to secure far more than the necessary number of signatures. We know of cases where men have signed petitions both for and against a particular object.

Hon. J. J. Holmes: For a small remuneration.

Hon. J. M. DREW: In consequence of such a petition a road board would have to appeal on behalf of some aggrieved person, and would have to incur all the expense connected with the appeal. Both the Transport Board and the State itself would be involved. The best legal talent in Perth would have to be sent to some remote part of the State in defence of the Board.

Hon. G. W. Miles: You do not call Katanning a remote part of the State, do you?

Hon. J. M. DREW: Heavy costs will be entailed and the municipality or road board, if the case be lost, will have to shoulder that expense. Mr. Thomson has recognised that there is no provision in the Municipal Corporations Act or the Road Districts Act to enable that to be done, and the clause he has inserted in the Bill will, he suggests, make it legal.

Hon. J. J. Holmes: Is that not an amendment to the Municipal Corporations Act?

Hon. J. M. DREW: I consider that particular provision should be in the form of an amendment of the Municipal Corporations Act, but we will take it that the provision is legal, and so under that provision the municipality will have to foot the bill at the expense of the ratepayers. On the other hand, in many instances the road board or the municipality will succeed, and we will have the spectacle of magistrates hearing these appeals, viewing the issues from different angles and thus providing a number of conflicting decisions on a similarity of evidence. Magistrates may be versed in law, but have no experience in transport matters, and there are many points to be considered in such a problem. I am very much afraid that magistrates will arrive at different conclusions on similar testimony.

Hon. J. Nicholson: But you find that happening every day in regard to other matters.

Hon. J. M. DREW: And there is no appeal. The decision will be final.

Hon. A. Thomson: And the decision of the Transport Board is final now.

Hon. G. W. Miles: So it should be.

Hon. V. Hamersley: The hon. member does not live in a country district.

Hon. J. M. DREW: Attention has been drawn to the fact that £25,000,000 of public funds are involved in the State railways and that there have been tremendous losses. Interest on the losses has not been capitalised as it would be under the State Trading Concerns Act and consequently the official figures before Parliament do not give an indication of the actual state of affairs. When the men who are engaged in conducting their businesses with commercial goods vehicles were put off the road, the railways commenced to pay. The activities of the railways showed an indication to balance the Budget, despite the fact that the Government reduced freights on certain classes of goods to the extent of £100,000 a year. That would not have been possible in former circumstances. Under the legislative proposal of Mr. Thomson, the State Transport Act would become practically a scrap of paper. For what purpose are we asked to agree to that? Simply in order that the residents of Kojonup may be able to cart their produce to Perth or Fremantle instead of sending it by rail. That is the object of this montrous measure. Can any hon. member justify it on that ground? To be sure, it is 258 miles by train from Kojonup to Perth and only 160 miles by road, but that applies in many other instances. What about the Murchison? Why should not the pastoralist in the Wiluna district be entitled to send his wool to Perth by commercial goods vehicle seeing that it

is closer by road than by rail? Mt. Magnet is 100 miles closer to Perth by road than by train. There will be no end to this sort of thing, and it is impossible to foresee what the consequences may be if we agree to this amending legislation. It would be quite a different matter if the commercial goods vehicles were competitive, but they are not even competitive in name. As the Chief Secretary pointed out, they pick the eyes out of the available traffic. Will this House tolerate that sort of thing in the interests of one centre, though it be an important one? I do not think that it will. I have selected one point only in connection with the Bill. The whole measure, to my mind, from beginning to end is one that should not be accepted by this Chamber.

HON. A. THOMSON (South-East—in reply) [5.50]: I congratulate Mr. Drew on erecting an excellent bogey, which he proceeded to knock down straight away. Had that hon. gentleman closely examined the Bill and had he listened to my speech when I moved the second reading, he would have appreciated the fact that I did not refer to the Railway Department at all except by way of illustration to indicate the saving that a farmer could effect by sending his wool by road transport instead of by rail. I hope members will not be carried away by Mr. Drew's utterance. The measure is simple and consists of three clauses. One provision will extend the right to deliver by road transport from 15 miles to 30 miles. Recently there appeared in the Press numerous comments regarding the insufficiency of housing accommodation in the metropolitan area, which had resulted in people being forced further afield. As the State Transport Co-ordination Act stands to-day, its provisions make it more difficult and costly for those who live on the outskirts of the metropolitan area. What else is desired? The provision regarding the right of appeal against the decisions of the Transport Board merely extends to ratepayers or taxpayers of the State the same right and privilege that we propose to grant to aborigines under the Aborigines Act Amendment Bill. Mr. Drew stated that the Bill I have submitted would raise serious issues that would affect the railways. He suggested that immediately the commercial goods vehicles were driven off the roads, the railways began to show a profit. I was surprised to hear him make that statement because he represents a province where the gold mining industry is carried on. I asked a question with a view to satisfying myself regarding a statement that appears in the 1936 report of the State Transport Board. If members turn to page 8 of that document, they will perhaps wonder if the statement I refer to was intended to mislead the public, because it is asserted that since the board was created, the railways have shown increased returns amounting to £526,846 above those for 1933-34. I asked a question to ascertain what the increase regarding the railways really amounted to in respect of the traffic from Perth on the goldfields lines. The Transport Board could give what information they desired, but when I asked the Railway Department for information I was told that it would take days and days to collect it and that owing to the expense involved, it could not be provided. That statement in the Transport Board's report is not correct, and I object to the wool being pulled over the eyes of the public.

Hon. J. J. Holmes: What answer did you get to your question?

Hon. A. THOMSON: None. I was told it would take too much time, that four or five days would be required by several officers to delve into the particulars and that it was not worth it.

The Chief Secretary: That is not quite correct. Please be careful.

Hon. A. THOMSON: What was not correct?

The Chief Secretary: That you were told it would take five or six days.

Hon. A. THOMSON: That is what I was told.

The Chief Secretary: What I object to is your statement that the Transport Board had information that the railways would not give.

Hon. A. THOMSON: I thank the Minister for the correction. I was dealing with the information that was given by the Transport Board in the report and I contend that it would mislead the public. From the information supplied to me, I gather that instead of the increased revenue being entirely due to the operations of the Transport Board, the augmented traffic on the goldfields line was represented, to the ex-

tent of at least 75 per cent., by the increased transport of goods and passengers. If that is so, the statement in the Transport Board's report is, in effect, a deliberate attempt to mislead the public. I did not start out to attack the Railway Department. That was not in my mind at all. I merely mentioned the department to indicate that the argument used by the Chief Secretary and Mr. Drew did not hold water from the standpoint of the interests of the railways themselves. Mr. Macfarlane said that although he could not support the Bill, he considered the Transport Board should give special consideration to the people in the Kojonup district. The Minister showed that the people there were in a peculiar position. No permits have been granted to them and they have no right of appeal. Surely if a Kojonup resident, having been refused the right to take up road transport work, were able to prove to a magistrate that it would be in the financial interests of the farmers to make use of his road transport facilities, he should have the right of appeal against the board's decision. If we can trust magistrates with powers that enable them to commit individuals to prison, we should surely trust them when it comes to matters affecting a person's living. Mr. Drew pointed out that the right of appeal was given to those who already had large vested interests. What consideration was given to men who had invested their all in building up motor transport business in accordance with the laws of the State? Mr. Hickey, who is a railway officer, was appointed to the position of secretary to the Transport Board, and Mr. Munt, another Government official, was appointed Chairman. I do not cast any reflection upon those officers; they did their duty from their point of view. Then Mr. Bath and Mr. Hawkins were appointed to the board, all the appointments being made by the Government. Those men deny the right of Kojonup residents to hold licenses and surely it would be only reasonable and quite safe to grant the right of appeal to a magistrate who would deal with their cases on their merits. I say —not offensively—that the speeches made by Mr. Drew and the Chief Secretary were obviously founded on bias in favour of the Railway Department. I am not attacking the Railway Department. In a district such as Katanning, which has railway facilities—two trains a day for three days a week—would it be reasonable to expect any magistrate to grant a commercial vehicle license? Of course, he would refuse it. Mr. Drew stated that every consideration was given to those men who appealed. As far as my memory serves me, no case ever went to court. But we know that the biggest bluff ever put over any body of men was put over the carriers of Western Australia. It was said to them, "We will grant you an extension of six months provided you withdraw your appeal, and you have not a hope of getting your appeal granted." They were told, in effect, that no license would be renewed. I have had carriers come to me to ask my advice. I told them I was not in a position to advise them. They had their living taken away.

Hon. H. V. Piesse: They owed such a lot on their trucks that they had to carry on.

Hon. V. Hamersley: In my district they had to leave.

Hon. A. THOMSON: In the "West Australian" this morning is a record of a similar case dealt with in New South Wales. The item appeared under the heading "Sympathy for Accused—'Business Snatched From Him,'" and read as follows:—

> Sydney, October 26.—Judge Nield in the Newcastle Quarter Sessions to-day criticised the treatment of Samuel Archer Makins (56), a former bus-owner, who, it was stated, had been deprived of his run without compensation. He described the taking-over of Makin's run as in the nature of legalised stealing by the community and said that he would not dream of passing sentence on him.
>
> Makins, who is now a fish-hawker, had pleaded guilty to a charge that he had broken into a dwelling-house. He was ordered to enter into a recognisance of £5 to be of good behaviour for six months.
>
> "Makins was not in a normal frame of mind when he committed this foolish act," Judge Nield said. "I feel sure that no one regrets it more than he does. This State and this community cannot feel happy about the prisoner's condition. What has happened in this case seems to savour something in the nature of legalised stealing by the community. The man by his own efforts built up a decent, honest business which served the public interests and the whole thing was snatched from him by some bureaucratic organisation without a farthing compensation. To right-thinking people that must appear very much of the same character as the offence with which he is charged."

The same consideration has been given to those men who have built up businesses for themselves in Western Australia. Those businesses have been taken from them without any compensation at all. I think I have

proved that any taxpayer in Western Australia desirous of following the calling of a common carrier, in the interests of the community, and refused permission to do so, has the right to appeal. We assert that in some parts of the country districts the community interests of the people have not been considered as it was intended they should be when the first Bill to co-ordinate State transport services was before the House. A grave injustice has been done in certain parts of the State to the detriment of the individual farmer. I am not asking that there should be a reversion to the unrestricted competition which the railways had formerly to face. When the Bill was passed, those who supported it were of the opinion that men already operating services—men who, as pointed out by Mr. Drew, had a vested interest—would not be driven from the road, but that they would be told they must charge the same rate as the Railway Department, and that the people in the district should decide the method of transport they would use.

Hon. H. V. Piesse: We were told that in this House.

Hon. A. THOMSON: I want to draw the attention of members to the report of the Transport Board, in order to demonstrate the kind of consideration given by the board to what might be termed State activities. At Byford there are State brickworks. As a result of the brickworks being outside the 15 miles radius, it was found that they were up against difficult competition. That matter was given consideration, and reference is made to it on page five of the Annual Report of the Transport Board. It states—

> During the year consideration was given to the question as to whether bricks produced by the State Brickworks at Byford, and by Millar's Timber and Trading Company, Limited, at Cardup, should be conveyed to Perth and suburbs by road or rail. After discussions with interested parties, licenses were granted to the 30th June, 1936. A conference was arranged between representatives of the brickworks and the Railway Department, the latter agreeing to a reduction in rail freights in consideration of the brickworks agreeing to forward as much as possible of their output by rail.

Consideration was thus given to the State Brickworks. They had the right to say how much they would send by road or rail.

The Chief Secretary: And the private manufacturers, too.

Hon. A. THOMSON: I am willing to bet that if the State Brickworks had not been in existence it is doubtful whether the private individual would have received that consideration.

The DEPUTY PRESIDENT: Order! I would like to remind the hon. member that betting is illegal.

Hon. A. THOMSON: Very well, I will not bet. I will make the assertion. The report goes on to say that it was finally decided that all second-class bricks should be conveyed by rail, while road vehicles would be permitted to carry other classes. The report adds—

> This distinction arose from one of the main arguments put forward, namely that bricks conveyed by rail were damaged in transit by shunting, and, whereas this was important in the case of first-class and special bricks (which were used for "face" work), chipping of corners and along the arrises of "seconds" did not unduly affect their value, as they were used mainly as a base for plastering.

I am quoting that to show that special consideration was given in connection with the carting of bricks because it was a State utility. I want to draw attention to another curious fact. When bulk handling was introduced, the Railway Department said, "We cannot carry bulk wheat at the same rate as bagged wheat. There must be an increase of 9d. per ton." There was a remarkable contradiction when it came to the building of the Canning Dam, which is being carried out by departmental engineers. I am not casting a reflection on them. I commend them for having gone into the matter of carting cement in bulk; but if it was right that the freight on bulk wheat should be increased, surely it was logical to assume that a similar increase should have been imposed in connection with the carriage of bulk cement! Was that increase made? It was not; the freight was reduced. Apparently, when a departmental matter or a State concern is under consideration, the Transport Board and the Railway Department are able to give considerable concessions. There is another matter in the report of the Transport Board to which I wish to draw attention. On page 8, the following appears:—

> The question of providing omnibus tours from Perth through various country districts was brought under the board's notice by the Director of the Government Tourist Bureau, who intimated that, in the interests of tourist traffic generally, it was desirable that some efficient means of transport be made available to enable visitors from overseas or from other

States, as well as local residents, to visit tourist resorts and other places of interest in Western Australia, on the basis of "round tours," which could not be conducted satisfactorily by utilising any existing form of transport.

When the Transport Board has to consider the question of tours for overseas visitors and others desirous of visiting tourist resorts, we find that special concessions are granted, and these special cars can travel through different parts of the State. The Transport Board showed preference to the Tourist Transport Company in granting a license for two vehicles imported from the Eastern States. We know that vehicles can be constructed in the State, yet for this special Government activity, vehicles are imported. Not only were the company allowed to do that, but the parlour coaches do not comply strictly with local conditions, such as are applied to the Alpine Company's parlour cars. The Alpine cars are allowed to carry only 14 passengers. The imported vehicles may carry 16. The Alpine Company are compelled to have side doors opposite each seat, but in respect of the Government vehicles there are doors on only one side.

The Chief Secretary: They do not belong to the Government at all.

Hon. A. THOMSON: That is so, but they are controlled by the Government, and because the Government supported this particular activity, these vehicles were licensed, whereas there was a refusal to allow similar vehicles to operate between Perth and Fremantle. I would have thought that there would have been an insistence on the coaches being manufactured in Western Australia, instead of their being brought from elsewhere, on the ground that we should utilise as much of our local labour as possible. I hope members will support the second reading of the Bill. I hope they will grant the right of appeal. I consider that it is only just that where 20 or 30 taxpayers feel they have a decided grievance in not being permitted to have their wool carted by road transport, they should have the right of appeal.

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

Ayes	14
Noes	10
Majority for	4

AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. J. Nicholson
Hon. L. Craig	Hon. H. V. Piesse
Hon. C. G. Elliott	Hon. A. Thomson
Hon. J. T. Franklin	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. G. B. Wood
Hon. V. Hamersley	Hon. H. S. W. Parker *(Teller.)*

NOES.

Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. H. Seddon
Hon. W. H. Kitson	Hon. C. F. Williams
Hon. J. M. Macfarlane	Hon. E. M. Heenan *(Teller.)*

PAIR.

AYES.	NOES.
Hon. E. H. Angelo	Hon. A. M. Clydesdale
Hon. C. H. Wittenoom	Hon. J. J. Holmes

Question thus passed.

Bill read a second time.

Sitting suspended from 6.15 to 7.30 p.m

In Committee.

Hon. J. Cornell in the Chair; Hon. A. Thomson in charge of the Bill.

Clause 1—agreed to.

The CHAIRMAN: The Bill is unusual in that it has no marginal notes, and the Standing Orders provide that the Chairman of Committees shall read the marginal notes.

Hon. A. THOMSON: I discussed the matter with the draftsman, who apologised for their absence, but stated that they would be inserted when the Bill went to another place.

Clause 2—Amendment of Section 33:

The CHIEF SECRETARY: This clause seeks to extend the radius from 15 to 30 miles from a carrier's place of business or from the G.P.O. No matter where the line of demarcation might be, objections would still be raised. A radius of 15 miles from a person's place of business should be sufficient. There are many towns, particularly in country districts, where 15 miles would more than cover another centre, so that if the radius were extended as proposed, the position would be infinitely worse for the railways. Whether the radius be 15 miles or 30 miles from the metropolitan area, people just outside it would complain that carriers operating from Perth had the right to deliver in their districts. All the districts mentioned by Mr. Thomson, I am informed, are being served by carriers who have obtained permits from the Transport Board. Mr. Thomson quoted certain letters, but did not say from whom they had come.

Hon A. Thomson: They are quite authentic.

The CHIEF SECRETARY: If the names had been given, probably a different complexion would have been placed on the hon. member's arguments. There is no reason why the people referred to by Mr. Thomson should not seek permits from the board, and it is only reasonable that they should do so. This clause is the thin end of the wedge, and will undermine the Act. If amendments of the kind are agreed to, reconsideration must necessarily be given to other things accomplished as a result of the Act.

Hon. L. CRAIG: I oppose the clause. Mr. Thomson's arguments were mainly based on the ill-service rendered to Kojonup. An alteration of the radius would not help the Kojonup people; neither would it help the people in a place like Popanyinning. The Act is working well. The demand for an extended radius, I take it, comes from firms in Perth who have transport fleets and wish to deliver goods further out. If we concede 30 miles, doubtless there will be a request to extend the radius to 40 miles.

Hon. J. M. Macfarlane: The same argument applies to large towns in the country.

Hon. L. CRAIG: Fifteen miles is a fair radius. I have not received any request from my province for an extension. To extend the radius would create competition between towns for the same class of business, whereas at present each town more or less gets the business to which it is geographically entitled.

Hon. A. THOMSON: One would hardly think that Mr. Craig represented a country district. When the original legislation was before us, we tried to get a radius of 30 miles. Probably people outside the 30 miles will raise an objection, but motor trucks at present are licensed to go out 40 miles for firewood supplies for the metropolitan area.

Hon. L. Craig: The board can grant permits.

Hon. A. THOMSON: If the hon. member was in business at Fremantle and a customer desired goods delivered at Midland Junction, a permit would be required. Firms in the places I have indicated suffer a disability because a customer 16 or 17 miles out cannot be served unless a permit is obtained from the board. The man situated beyond the radius has to pay the extra cost.

Hon. L. Craig: It would be the same with a man situated 31 miles away.

Hon. A. THOMSON: The population of the country is not so dense as to cause objections on that score. People are encouraged to go into the outer suburbs to live, in order to avoid slum conditions, and immediately they do so, their lot is made more difficult.

Hon. L. Craig: What is a distance of 15 miles from Perth?

Hon. A. THOMSON: Further than the hon. member would like to walk. What is 30 miles in a vast territory like Western Australia? There is no desire to undermine the Act, but the present law does impose a definite burden on country residents.

Hon. L. Craig: Residents of Kojonup, yes.

Hon. A. THOMSON: When motor vehicles were on the road, producers were able to send eggs, butter and meat direct to the market, which would be reached on the following morning. To-day those people have to traverse 12 miles of rough bush track and transport their produce by train, the time occupied being 48 hours.

Hon. J. M. Macfarlane: Motor cars are still bringing produce to the market.

Hon. A. THOMSON: Special permits have been granted to carry goods from the Williams or Wandering, but not from other districts.

Hon. W. J. MANN: If my memory serves me rightly, I was the member who moved at the time of the original enactment that 30 miles be substituted for 15; and I gave good reasons for the amendment. It is erroneous to say that in the South-West there are not places suffering from the 15-mile radius. Very few of the groups are within 15 miles of a town. Many of them are well over 15 miles, as from Busselton and Margaret for instance. And what about the Donnelly settlement and the one towards the Warren? They also are well outside the radius. It is only fair that the proposed consideration should be extended to those settlers.

Hon. J. NICHOLSON: I regard the alteration from 15 miles to 30 as a justification for the Bill. When the original measure was under discussion, it was recognised by numerous members that the limitation of 15 miles was not wide enough to meet the needs of a country of great distances. People who have the courage to go out for the purpose of developing our lands are, by the 15-mile radius, deprived of the advantages they should have within what may be called a reasonable distance, namely 30 miles. The position would be different in a country of limited area. We should encourage set-

tlers to spread their wings, so to speak.

Hon. J. M. MACFARLANE: On the second reading I declared myself a lukewarm opponent of the measure. I feel similarly towards the clause. On the passing of the original enactment an amendment for 30 miles was defeated. However, the measure is on the statute-book and is operating fairly successfully. All inconveniences associated with it cannot be swept away in one year. Discretion should be used with regard to permits, which in some cases should be granted free of charge. The Act is being white-anted. This is evident from Mr. Wood's statement that he was one of 40 persons who travelled on a truck. If we weaken, the Act within 12 months will be rendered useless.

Hon. H. V. PIESSE: I support the clause. People at the Popanyinning and Wandering end of my district can cart for 30 miles by special concession applying to perishable goods. In places like Dumbleyung I have often been asked whether the Act could not be altered so as to increase the radius of 15 miles to 30. No harm can result from the clause, and it must be an advantage to the business people of Perth to have the radius increased as proposed.

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

Ayes	14
Noes	11
Majority for	3

AYES.

Hon. E. H. Angelo	Hon. H. S. W. Parker
Hon. C. F. Baxter	Hon. H. V. Piesse
Hon. L. B. Bolton	Hon. A. Thomson
Hon. C. G. Elliott	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. C. B. Williams
Hon. V. Hamersley	Hon. G. B. Wood
Hon. W. J. Mann	Hon. J. Nicholson (*Teller.*)

NOES.

Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. L. Craig	Hon. J. M. Macfarlane
Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. H. Seddon (*Teller.*)
Hon. E. M. Heenan	

Clause thus passed.

Clause 3:

The CHIEF SECRETARY: I move an amendment —

That in proposed Subsection 2, paragraph (a), the words "or any other person" be struck out.

If those words remain, we shall be faced with the possibility of numerous persons wishing to appeal against decisions of the Transport Board, in some cases even though the applicant himself does not desire to appeal. This is stretching appeals too far. If the Committee decide to grant a right of appeal, that right should be restricted to the applicant for a license. He is the person who should go to the magistrate. It would be quite easy to secure the support of any number of people to a petition that the local authority should have the right to appeal. However, it is most unusual to provide that "any other person" should have the right to appeal. It is one thing to propose an appeal for the person really aggrieved by the decision of the board, but quite another to say in effect that anybody can appeal. At the proper time I will vote against the whole clause.

Hon. V. HAMERSLEY: I hope the Committee will not agree to the amendment. I remind members of the position at Wooroloo. There the headquarters of the local authority are outside the radius of 15 miles, and there are persons still within reach of the city who are settled 25 miles further out. They have no railway. So there are persons other than the local authority or the applicant for a license who may have occasion to feel aggrieved.

Hon. A. THOMSON: The Minister says this is an attempt to undermine the Act. But the wording of the paragraph is identical with the corresponding provision in the Act of New South Wales. So we are not asking anything that is new. As for frivolous appeals, spoken of by the Minister, there is provision in the parent Act against them. Suppose a number of settlers in a district induced the owner of a commercial vehicle to apply for a license so that he might run their produce for them. The Transport Board refuses to grant that man a license. Others in the community suggest to him that he contests the decision, but he says he has no money to spare. Thereupon the other settlers, who naturally feel aggrieved, take up the case. Surely they should be permitted to do so. The Minister said this provision would give people the right to appeal against decisions that had been imposed. Well, we give the right of appeal to a man sentenced to imprisonment, or even heavily fined. Are we not then to give a man the right to appeal against decisions of the Transport Board? If the Transport Board were to grant a license, other persons who might

feel aggrieved with such a decision would have the right to appeal against it. When people within the given radius of the metropolitan area take objection to a decision of the board, they are sufficiently numerous to make a fuss that will be listened to. I hope the Committee will not agree to the amendment, for a person other than the applicant for the license may be genuinely aggrieved by the decision of the board.

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

Ayes	12
Noes	11
Majority for	1

AYES.

Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. L. Craig	Hon. J. M. Macfarlane
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Fraser	Hon. H. Seddon
Hon. E. H. Gray	Hon. G. B. Wood
Hon. E. M. Heenan	Hon. G. W. Miles (*Teller.*)

NOES.

Hon. E. H. Angelo	Hon. V. Hamersley
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. A. Thomson
Hon. C. G. Elliott	Hon. C. B. Williams
Hon. J. T. Franklin	Hon. H. V. Piesse
Hon. E. H. H. Hall	(*Teller.*)

Amendment thus passed.

Hon. A. THOMSON: I move an amendment —

That in line 1 of paragraph (b) of Subclause 2 of the proposed new section the words "road board or municipality" be struck out and "local authority" inserted in lieu.

The CHIEF SECRETARY: I oppose the subclause on the same grounds that I mentioned in opposing previous amendments. I cannot see any justification for it at all, though I can understand that an interested party might have sufficient influence in a particular district to secure the support of a local authority to take up his case. I also realise that in such an instance there might be sufficient local influence, as far as the local magistrate is concerned, to convince him that the license would be of benefit to the district. That would be the question the magistrate would have to decide, and on the facts of the case he would have no option but to say, "Yes, this license would be of benefit to this particular area and to particular individuals." Wherever we have to put into operation a policy of this kind, usually there are a certain number of anomalies, and usually a minority of people are detrimentally affected. That might apply in this case. We would have the policy of the Transport Board being affected materially by varying decisions given by various magistrates in various parts of the State, with the result that we would have the effect I have mentioned. If there is to be an appeal, let the applicant for the license be the one to appeal, and let him stand or fall by whatever evidence he can bring forward. I hope the amendment will not be agreed to.

The CHAIRMAN: Mr. Thomson proposes to move to strike out certain words in paragraph (b) of Subclause (2), and the Minister desires to strike out the whole of the paragraph. I suggest that Mr. Thomson first moves to strike out the words, and before moving to substitute the words he desires to insert, the Committee be given the opportunity to vote on the Minister's amendment to strike out the subclause.

Hon. A. THOMSON: I move an amendment—

That in line 1 of paragraph (b) of Subclause (2) the words "road board or municipality" be struck out with a view to inserting other words.

Amendment put and passed

The CHAIRMAN: The Minister may now move to strike out the whole paragraph.

The CHIEF SECRETARY: I move an amendment—

That paragraph (b) of Subclause (2) be struck out.

This question has received a lot of consideration at the hands of the Transport Board over a lengthy period. To give a local authority the right of appeal to a magistrate under the conditions to which I have referred will simply mean, in some cases, as a result of the decision of the magistrate, that the Transport Board will be compelled to do certain things which, in the opinion of the board, will be distinctly wrong. While I do not wish to discredit any magistrate, it is possible to say that a magistrate, on the evidence submitted, would probably find himself in the position of having to come to only one conclusion, and that would be that the conditions laid down by the Transport Board were detrimental to the individual, and therefore he must reverse the decision of the Transport Board. That is a state of affairs we should not tolerate for a moment. In New South Wales the Act is entirely

different from ours. Mr. Thomson said that where a person was fined £20 for something he had done, he had the right of appeal. In this case we are not dealing with appeals by persons who have been possessed of licenses, or who have built up vested interests; we are dealing with persons who are likely to apply for a license where one has not previously been granted. The people have no vested interests at stake. We should not agree to the paragraph under any consideration whatever.

Hon. A. THOMSON: What better authority is there to put up a case for a particular district than the road board which represents the district, and particularly when it has been requested to do so by petition?

Hon. L. Craig: Will this give them the power?

Hon. A. THOMSON: We hope it will. May I again refer to the fact that, in spite of the expressed opinion of many residents, the Government are persisting in spending money on a trolley-bus service to Claremont. I merely mention this to show what the position is to-day. In the country the average person is not in a position to fight, and therefore if a district feels that it is aggrieved, I propose to limit the amount of expenses that can be incurred. If a district believes that the decision of the board is not fair, is it not reasonable that they should have the right to present a petition to the local authority, requesting it to exercise the same right of appeal as is given to an owner? The Chief Secretary has admitted that the Transport Co-ordination Act was brought in to protect the railways, and that a minority might suffer. Surely a minority has the same right as a majority. The minority pays rates and taxes, and if they are possessed of income, they pay income tax. If a resident magistrate is going to deal with these appeals, he will certainly deal with them on the evidence submitted. It is not right for the Minister to put up a statement that the Transport Board shall be supreme or autocratic, irrespective of whether an injury is being done to an individual or a district.

Hon. G. B. WOOD: I support the amendment moved by the Chief Secretary. If this paragraph is passed, it will override the Road Districts Act, and put difficulties in the way of the Transport Board. It is out of order to give such power to a local authority.

Hon. L. Craig: I think you are right.

Hon. G. B. WOOD: The man who appeals should be the owner of the truck. It should not be the local authority who appeals.

Hon. E. H. ANGELO: The paragraph will not get us very far. If a district is severely affected, there is nothing to prevent the local authority from taking up the cause of the person concerned.

Hon. J. Nicholson: The local authority could not give him financial backing.

Hon. E. H. ANGELO: Some way would be found to get the money for an appeal, even if it came out of the three per cents. I will support the Chief Secretary.

The CHIEF SECRETARY: Mr. Thomson said that people in the metropolitan area were given a right of appeal, but that it was withheld in the case of country people. He referred to Section 24 of the Act. That merely provides for an appeal in the case of those who held licenses on the 31st December, 1933. Mr. Thomson, therefore, made to the Committee a misleading statement. Is there a district which would not feel aggrieved if some prominent person in it was refused a license, and whose people would fail to appeal against such a decision? Applications would come in from all over the country, and appeals would be heard by every magistrate.

Hon. A. THOMSON: I had no intention of misleading the Committee. I would point out that Section 24 deals only with omnibuses. I do not know of any bus in the metropolitan area that has been run off the road, but we know that very few commercial vehicles have been left anywhere.

The CHIEF SECRETARY: Mr. Thomson made a similar remark in 1935, and the Transport Board gave a full and comprehensive reply to it, pointing out that it had no jurisdiction in the matter of the licensing of vehicles which operated solely in an area within a radius of 15 miles of the G.P.O., or which operated solely within a radius of 15 miles of the place of business of the owner. If the license operated within a radius of 15 miles of Kojonup, and that was the place of residence of the owner, obviously the board would have no responsibility.

Hon. T. MOORE: Road boards surely have no right to do these things. If Mr. Thomson desired to give a local authority

the right to spend money, as he suggests, it should be given through the Road Districts Act. I advise him to strike out paragraph (f).

Hon. A. Thomson: The Parliamentary Draftsman thought it was in order.

Hon. T. MOORE: We should be consistent in these matters, and, when we want to amend a particular law, see to it that we do so in the constitutional manner.

The CHAIRMAN: There is a difference of opinion as to whether this paragraph is in order. Standing Order 174 provides that the Title of a Bill, when presented, should coincide with the order of leave, and that no clause should appear in it that is foreign to the Title. The time to contest this is on the second reading, but no member referred to the validity of the measure at that stage. It was at my suggestion that Mr. Thomson moved the amendment to strike out the words "road board or municipality," and substitute the words "local authority." I think the hon. member has missed his opportunity, for the point should have been dealt with at the second reading stage.

Hon. J. J. Holmes: It would have saved a lot of time then.

The CHAIRMAN: Yes, it can be dealt with again at the third reading stage.

Amendment put and passed.

The CHAIRMAN: As a consequential amendment paragraph (f) will have to be deleted. I draw Mr. Thomson's attention to the position regarding the clause in relation to Section 24, and suggest that he postpone the further consideration of the clause until he looks into the matter.

Hon. J. Nicholson: The section itself should be amended, because it cannot be consolidated in this form.

The CHAIRMAN: Mr. Thomson will have to consider amending Section 24 if he desires it to apply only to buses.

Hon. A. THOMSON: I am not a Parliamentary Draftsman and I left the matter in the hands of the draftsman whose advice I have followed. I move—

That the further consideration of the clause be postponed until after Clause 4.

Motion put and passed.

Clause 4:

The CHIEF SECRETARY: The purpose of the clause is to add "wool" to the items listed in the First Schedule of the parent Act. I have already pointed out the serious effect the amendment will have if agreed to. The Railway Department granted reductions of freights in the interests of the farmers to an amount of practically £100,000 per annum, and the total freight in respect of wool amounted to £85,000, or £15,000 less than the decreased freights granted. Now Mr. Thomson suggests that wool shall be included in the Schedule, because it may be possible for farmers to transport their wool themselves and bring back supplies at less cost than would be involved if they made use of the railways. That does not take into consideration the other lines that are transported by the railways for the farmers at very low rates. If the proposal were agreed to it might reduce the earnings of the railways to an extent that would produce a serious deficit. Mr. Thomson quoted certain figures regarding the savings to be effected by a farmer by the use of road transport as against the railways, but I am advised by the railway authorities that they have difficulty in reconciling some of the freights quoted by the hon. member.

Hon. A. Thomson: I will guarantee my statement to be correct, because the particulars were taken out of the railway freight book.

The CHIEF SECRETARY: I do not propose to go into details. Wool is one only of the commodities produced by farmers that can be handled easily by road. If the clause be agreed to, it will simply mean that the task of the Railways in serving the outback areas by providing low freights for the haulage of wheat, super and other products, will be made all the harder.

Hon. A. THOMSON: According to the Chief Secretary, members would think that I was advocating the use of road transport to the exclusion of the railways. All I suggest is that a farmer shall have the right to cart his own wool. The Minister's statement might be interpreted as meaning that I had attempted to mislead the Committee regarding railway freight rates. I have spent thousands of pounds with the railways, and am able to interpret their rate book. The figures I quoted were strictly accurate, and if the Minister or the Commissioner of Railways can prove my statements inaccurate, I will be the first to acknowledge my mistake. I am not attacking the railways, and I recognise the difficulties confronting the Commissioner, but what right has the State to prevent the farmer from

making use of his motor truck and saving a few shillings?

Hon. J. J. Holmes: But you cannot cross the street now until you get the word to go!

Hon. A. THOMSON: I have received a letter from the president of the zone council congratulating us upon the effort we are making, and pointing out, in reply to the Government's claim that freight reductions have benefited woolgrowers substantially, that it would not represent more than 5s. per head to the woolgrowers in the agricultural areas.

Hon. H. V. PIESSE: I have been travelling round the district with two New South Wales citizens lately and one of them, a pastoralist, told me that the New South Wales Transport Act permitted the farmer and grazier to cart his own wool. Why should they permit that in a more closely populated State than is this one, while here it is not allowed? There is no doubt that if a man goes to the expense of having a motor truck for use on his farm he should have the right to use it for any purpose he wishes. I and my people have produced wool in Kojonup and Katanning district for years. At no time have I carted a bale of wool to the market. I have always used the railway and intend to go on doing so. But other people are in different positions. They want to go to the city and take back goods and I think they should be allowed to use their own vehicles for the purpose for which they were bought.

Hon. L. CRAIG: What the clause proposes is not unreasonable. Every type of farmer except the sheep farmer is entitled to carry the product of his farm in his own vehicle. Any livestock, poultry, fruit, vegetables, dairy produce or other perishable commodities, including wheat, may be so carted. There are many people in the Kojonup district who do nothing but sheep farming. At Show time one or two of these men mentioned to me how desirable it would have been could they have brought down wool in their own truck—not all of it, but a portion, and taken back certain requirements for the farm. I do not think there is very much wrong with that. It is not as if they wanted to hire somebody else to cart their wool. One man told me he did not want to travel down with an empty truck and because he was not allowed to bring wool on his truck he come down by train. This clause will have the effect of bringing the wool farmer into line with other types of farmers.

Hon. G. B. WOOD: I intend to support the Clause as it stands. It has been brought forward by Mr. Thomson to assist people to the west of the Great Southern line. Many of these people are on light country and the only thing they can grow is wool and I fail to see why they should be debarred from carting the only thing they can produce. I should like to take the Minister to see some of these people to show him the great difficulties under which they are labouring. Every opportunity should be given them to make good. I am glad Mr. Thomson was game enough to have the word "wool" inserted in the Bill and have much pleasure in supporting the clause.

Clause put and passed.

Progress reported.

BILL—STATE GOVERNMENT INSURANCE OFFICE.

Second Reading—Defeated.

Debate resumed from the 20th October.

HON. E. M. HEENAN (North-East) [9.7]: In supporting the second reading of the Bill I do not propose to go into the vexed question of State trading, whether it should exist or not, and if it should exist what its dimensions should be. But there are one or two aspects of the Bill which appeal to me very strongly as a goldfields representative. It has already been pointed out that the main objects of the Bill are firstly to validate all the past transactions of the State Insurance Office; secondly to legalise the establishment of the office in regard to transactions of accident insurance, including workers' compensation, employers' liability and ordinary accident insurance; and thirdly to provide power to carry on other types of insurance authorised by the Governor-in-Council and to establish the State Insurance Office as an office approved by the Minister within the meaning and for the purposes of Section 10 of the Workers' Compensation Act, 1912-1934. Members are well aware of the reasons for the establishment of the office. I think that few will argue that its establishment at the time was not justified. The main reason was the fact that private insurance companies refused to accept the obligation of insuring against certain types

of mining diseases, principally miners' phthisis. At the time a committee of investigation was set up and it reported that £4 10s. was a reasonable rate, but the private companies refused to undertake this business for anything less than £20. The Government came to the rescue at the time by forming the State Insurance Office and since then have practically had a monopoly of that business. It has been carried on by the State office without any loss to the State and it seems quite apparent that on that occasion the private companies were out to make an unfair profit and to take an unfair advantage of the situation. A remarkable fact relating to the State Insurance Office, however, is that although it came into existence in 1926 and has been carrying on business ever since, it has never been validated although it has been operating for the past 10 years and various Governments have been in office. Its past transactions have never been validated and at the present time there is no insurance company in a position to comply with Section 10 of the Workers' Compensation Act. Section 10 makes it obligatory on all employers to take out an insurance policy for their employees with some company which has been approved for the purpose. That is the main drawback and one that appeals to me most at the present time—the fact that there is no office which can deal with that section of the Workers' Compensation Act. The principal drawback on that score is that the compulsory clause of Section 10 cannot be enforced. On the goldfields for some time past a number of individuals and mining companies have not been insuring their employees. These individuals and companies are usually people of no financial standing and unfortunately they cannot be prosecuted for not insuring their employees. It is not a rare thing to find that men work in the mines and meet with accidents, only to discover that their employers have no financial status and they are left without any remedy. That is not an extreme situation. I have had a number of cases of the sort come under my notice. Recently I had a case of a woman whose husband had been employed by a mining company in one of the well-known centres. The company had apparently exhausted all their assets, and their first economy was to neglect to pay the insurance premiums for the men employed. The man got caught in a belt and was seriously mutilated. After being in hospital for two or three weeks, he died. As the insurance premium had not been paid, naturally the insurance company would not accept liability. The mining company are on the verge of liquidation; the assets are mortgaged, and the unfortunate widow has no chance of collecting anything from the company. It is a no liability concern, and even if the liability is limited, the directors, wherever they may be, are not personally responsible. That, I admit, is an extreme case, but it is one of several which have come under my notice in my small sphere. The local hospital was left without a remedy, as well as the doctor and anyone else interested in the case. Similar cases have been reported to me from hospital committees at Laverton and Leonora. This is a matter which should be remedied. Whatever views may be held on the merits or demerits of State trading, the fact remains that over the past 10 years the State Insurance Office has been carrying on business and has supplied a want which apparently no company was prepared to undertake. Prejudice would have to be very strong indeed for the principal feature of the Bill not to meet with approval. Mr. Elliott referred to a case which had come under his notice. Not only are individuals suffering at present, but local hospital committees, doctors and others are repeatedly finding uninsured employers who are persons of no means, and there is no redress. If the State Insurance Office were validated, this state of affairs would not exist, and the provisions of the Workers' Compensation Act would be policed. All will agree that insurance, especially for men engaged in the mining industry, is a vital matter. The risk of accident and disease is well known.

Hon. J. J. Holmes: And should be a charge upon the mines and not upon the community.

Hon. E. M. HEENAN: That raises another question which could easily be solved by validating the State Insurance Office. If the office has been good enough to carry on for the past 10 years, if it has had the tacit approval of various parties which have been in power, we should at least be frank and not allow any humbug or hypocrisy to prevent us from voting for the main feature of the Bill at least. The other clauses of the Bill involve other questions which I take it will be threshed out in Committee. Although a similar measure has been de-

feated four or five times, I hope that on this occasion the transactions of the State Insurance Office will be validated, and that the office will be legalised so that it will come within the purview of Section 10 of the Workers' Compensation Act. Then no cases such as the one I have quoted, and the one quoted by Mr. Elliott, will be tolerated in future.

HON. A. THOMSON (South-East) [9.21]: State insurance is a subject that has been discussed in this House on many occasions. As one who is pledged to oppose State trading, I have always contended, in the words used by Mr. Parker, that the function of Governments is to govern and not to take away from private citizens their means of livelihood. State departments pay no rates or taxes; I do not think they even pay rent, and yet, by virtue of their position, they can eliminate competition. Could one have a better example of what is possible for a Government department to do than that of the railways when they ran the motor vehicles off the roads? They said that motor transport was inimical to a State trading concern, and therefore private citizens had to lose their occupations and suffer without compensation. We have already discussed that matter at length and I mention it now merely to show what might happen. When the Workers' Compensation Act was amended the then Government were successful in carrying the Third Schedule, and later proclaimed that portion relating to the mining industry. The position was such that insurance companies at that stage were not able definitely to quote for a risk, the financial responsibility of which they had no means of ascertaining. Answers given to my questions to-day show that the Miners' Phthisis Act has cost this State £437,324, and that the Government contributions to the Mine Workers' Relief Fund amount to £139,766, a total of £577,100. Surely that demonstrates that the insurance companies had reason to hesitate before accepting financial responsibility under the Third Schedule.

Hon. C. G. Elliott: That expenditure has nothing to do with State insurance.

Hon. A. THOMSON: I have quoted those figures to show what the mining industry is costing Western Australia. It is the only industry wherein employees suffering from disabilities contracted in the course of their employment are thus protected by the Government. Members are aware that the Government contribute 9d. per man per week to the Mine Workers' Relief Fund. I do not take exception to that; I am not opposed to granting assistance to men who suffer from disease or disabilities contracted in the mining industry, but I do stress the fact that it is the bounden duty of the industry to bear its own responsibilities, and that the taxpayers should not have to foot the bill to the tune of £577,000, as it is doing to-day.

Hon. C. G. Elliott: What about New South Wales?

Hon. A. THOMSON: I am dealing with Western Australia. Each industry should support its own employees. If a man working in a butcher's shop, or any other shop in which food is sold, is found to be suffering from tuberculosis, he is required under the Health Act to leave his occupation, but there is no fund to provide assistance for him. He has to go out and face the hard cold world and obtain a living wherever he can. In moving the second reading, the Honorary Minister said—

> A committee set up to investigate the position recommended the payment of a premium to cover this liability at the rate of £4 10s. per cent., which the private companies claimed to be inadequate. In the ensuing deadlock, negotiations between the Government and the companies concerned proved fruitless. Then, finally, the private offices gave notice to the mining companies of their intention to terminate their contracts. To protect both employers and employees in the gold-mining industry, Government action became imperative, and it was to this end that the State stepped in and established its own insurance office.

Section 10 of the Workers' Compensation Act makes insurance compulsory for every employer. I was surprised to hear one member say that he did not insure his employees. Steps should be taken to compel every employer to insure. That was the intention of the Act.

Hon. H. Seddon: Do not you think that if the Government had approved of companies under Section 10, the excuse of the employer who does not insure his employees would have been removed?

Hon. A. THOMSON: That feature should be eliminated. I have no desire to penalise the workers in the gold mines. Neither do I desire to cast a vote in favour of State insurance unless some sound reason can be produced. At the moment I am not

satisfied that it was imperative for the Government to introduce State insurance. The Government thought fit to proclaim the Third Schedule, which brought miners under that provision. Parliament passed certain legislation which imposed a great financial responsibility upon insurance companies who had nothing whatever to do with the mining industry, and it seems to me they were justified in saying at that stage that unless the Government supplied authentic data of the financial responsibility that would be involved, they could not quote. The Government could and should have said at that stage, "We contend that £4 10s. is a sufficient margin to protect you. But as there is some doubt in your minds, we will give you a guarantee that your shareholders will suffer no loss in accepting this risk." Therefore the companies were certainly justified in adopting the attitude they did at the time. But it does seem to me that as the Government were pledged to State trading, they seized the opportunity to launch out upon another State trading concern. Mr. Parker quoted the commissions that had been paid to canvassers and agents, totalling £112,965. If we pass the Bill, the Government by regulation will simply say, "We approve only of the State Insurance Office," as their method of imposing compulsory insurance. Bulk handling of wheat was held up by the Government as it was considered that the system would take away the means of livelihood from the Fremantle wharf lumpers. What is it proposed to do with the insurance canvassers if they lose their positions? If we pass the Bill we enable the State to compete on unfair grounds. The State does not pay rates or taxes. It can eliminate competition. While there may have been, in the opinion of some people, too many private insurance offices, still they provided employment. I am convinced that we must ensure protection to employees on the mines; but is it necessary to legalise the illegal State Insurance Office to give that necessary protection? Is the goldmining industry carrying its fair share of the disabilities it imposes upon those who work in the mines? At the moment I am not satisfied that it is doing so. Neither am I satisfied that the amendment proposed represents the correct method of meeting the situation. The matter is of such vital importance that I consider we should appoint a select committee to call for expert evidence in order to explore every avenue of information. If as the result of inquiry by the select committee it is considered that the passing of the Bill represents the only way to protect those engaged in the industry, I would vote with a free conscience for a State Insurance Office. Silicosis and miners' phthisis seem to be the inevitable end of those who follow mining for a living. While the wages seem good, the risk is great. I have wondered whether the Health and Mines Departments have considered the question whether the use of respirators could be insisted upon. Some goldfields members may smile at this remark and say that I am much behind the times.

Hon. T. Moore: Have you ever tried a respirator?

Hon. A. THOMSON: Perhaps the respirators used in early days may not have been quite satisfactory. We do know that to-day the nations are providing gas masks to protect their citizens in case of war, and it may be possible for science to develop something in that line to prevent the ravages of the dread diseases which seem to seize upon so many men engaged in the industry. I do trust the House will agree to the appointment of a select committee. Much good can result from it; and if it should be necessary to legalise the State Insurance Office, no harm can result from a slight delay. We have opponents of State insurance saying that the Bill is not necessary. My main objection to the measure is that I am opposed to State trading as interfering with the rights of the subject. On the other hand, we have those who contend that the Bill represents the only means of providing insurance for men engaged in the mining industry. I want to satisfy myself on the point, and I believe that the information which could be gathered by a select committee would be in the interests of the men and also in the interests of the State as a whole. However, unless the apointment of a select committee can be secured, I shall oppose the second reading of the Bill.

HON. J. J. HOLMES (North) [9.35]: I understand the Minister is anxious to come to a division on the second reading of the Bill tonight. Whilst I had prepared answers to almost everything that has been said during the debate in favour of the Bill, I do not propose to inflict them on the House this evening. I consider insurance of men engaged in the mining industry should be a charge upon the industry and not upon the

State. A superannuation scheme should be evolved and made a charge on the gold mining industry, and not insurance at all. Let me give just one instance showing what the State has been led into—one of many instances I could quote. If a hundred men are dusted in a mine and they come out of that mine, there is a responsibility of £85,000, being £750 for each man, and £100 for the doctor who, we are told, is so badly treated. If the mine closes down the day after those hundred miners have come out, the responsibility is upon the State.

Hon. A. Thomson: That is the point.

Hon. J. J. HOLMES: The responsibility is upon the State Insurance Office and not upon the mine, because the contract of the State Insurance Office is to take over these men when they come out of the mine. I could follow on if I so desired—and in fact I do believe—what a mining man in this House, one with the best knowledge of mining, has declared, that ultimately there will be a liability of £8,500,000 for compensation for the miners and of £1,000,000 to the doctors. That is what we are being led into. One other point, and I have finished. The main point is that which was stressed by Mr. Elliott and Mr. Heenan, that some of the men have not been insured. Why have they not been insured? Because the present Government and the previous Government have omitted to issue a proclamation empowering all the insurance companies to come within the provisions of the Act, the sequel to which has been compulsory insurance for everyone. Instead of complaints against this House and what it has done, the complaints should be against the Government and their failure to do what this House intended they should do—bring all incorporated insurance companies within the scope of the Act. I have much more to say, but in order to enable the Minister to get to a division tonight, that is all I shall say. I oppose the second reading.

HON. H. V. PIESSE (South-East) [9.38]: Whilst I have every sympathy with those miners who are suffering from phthisis and other diseases brought about by their work in the mines, I do not think the time has arrived for this Chamber to legalise the existing position, particularly as the Bill goes much further than the phthisis cases and endeavours to legalise all classes of insurance that can be granted. Many debates have taken place in this Chamber on the subject. We have all had the opportunity of reading the statements made in another place. I do not think I can add to the arguments already advanced anything that would be helpful to hon. members, because they know the conditions thoroughly. With these few remarks I oppose the Bill.

HON. J. M. DREW (Central) [9.40]: I hope the Bill will receive the endorsement of the Legislative Council. It should be possible to review calmly the whole of the circumstances connected with the opening of the State Insurance Office. I refer to the opening of it without Parliamentary authority. We should be in a position to conclude that as the situation then presented itself the Government had no other course open to them but to do what they did—open that office without much delay. A Workers' Compensation Act had been passed during the previous session of Parliament. In that Act there was a provision that the victims of mining diseases would be compensable under the measure. The Legislative Council and another place approved of that legislation, and it became law. Some months after the passing of the Act the insurance companies were approached by the Minister for Labour with a view to consideration of the question of fixing a premium to cover miners' diseases alone. The Government recognised that it was no easy task, that it was in fact a difficult task at that stage, to arrive at a reasonable premium for the class of cover required, and that a good deal of preliminary investigation was necessary before finality could be reached. In consequence the Government decided to gather all possible information in connection with the subject. A committee was appointed, comprising Mr. Bennett, the Government Actuary, as chairman, Mr. Calanchini, the Under Secretary for Mines, and Mr. L. J. Grealy, of the Queensland State Insurance Office. Besides collecting evidence and all kinds of information relative to the matter, they were asked to make a recommendation at the conclusion of their investigations. The committee made an examination of the Mine Workers' Relief Fund at Kalgoorlie. That was an organisation which had been handling the situation over a period of ten years. The Royal Commissioners considered 1,111 cases, but of these only 541 could possibly

have come within the provisions of the Workers' Compensation Act, as in the other cases they had been suffering from tuberculosis. The committee made an allowance for miners who were not connected with the fund, and decided that £4 10s. per cent. was sufficient to cover all risks. The Government made available to the insurance companies all the information the committee had collected. Notwithstanding Mr. Thomson's statement, the Government furnished the insurance companies with all the information collected up to that time. They informed the companies what recommendation had been made by the committee, and promised that when the results of a medical examination which was to take place at the Commonwealth laboratory at Kalgoorlie was known, that information would be conveyed to the insurance companies. At the same time it was said that during the examination when any tubercular cases were discovered they were to be removed from the mine so as to minimise the disease in future. All this information was given to the insurance companies, and they were asked to quote. They were not limited in any way with regard to their quote. They refused to do so. If they had given a high quote it would have been a subject for negotiation. An extraordinary request then came from the company. The same suggestion was made to-night by Mr. Thomson, namely that the Government should guarantee the insurance companies. They said they had not sufficient data upon which to estimate their liabilities, but were prepared to form a pool of all the companies and undertake the work if the Government would guarantee them against loss. This, of course, the Government could not be expected to do, for a very good reason: it does not require very much thought to conclude that if any Government were to give such an undertaking, make such a foolish contract, they would be liable to and deserving of the censure of Parliament. A company would have in the first place no need to study economy. It would be under no control, and so could do all sorts of unusual things, putting the Government to extraordinary expenses, and calling upon the Treasury to foot the bill. So that proposal the Government could not adopt. I do not suggest that the companies would lay themselves out tacitly to rob the Government; but what I do say is that it was a risk which no Government could undertake in view of the fact that Parliament might consider it in a light quite different from the truth of the matter. The Minister for Labour supplied the companies with a copy of the minutes of the committee appointed to investigate the question of miners' phthisis. In those minutes appears a statement of the Minister that if the premiums were considered too high to be borne by a mining company, the Government would consider helping the industry to meet the cost. As I say, a copy of that minute was sent to the insurance companies. Still, even in the face of that, no quote was forthcoming. The Premier while in Melbourne communicated with the council of the Fire and Accident Underwriters' Association. He wished to meet them in order thoroughly to discuss the situation, but they refused to meet him. In the same month, namely May of 1926, some fresh figures were available as the result of the medical examination of men at Kalgoorlie under the Miners' Phthisis Act. The Government asked the insurance companies whether they would give a quote if the figures were supplied to them. All information up to that date had been given to the insurance companies, despite what has been said here to-night. That was a fair request, namely, that if they got all the information the Government possessed, would they give a quote? They again refused to give a quote. The next move with the insurance companies was one unparalleled in the history of commercial transactions. They gave the mining companies three days' notice of the termination of general accident insurance. That had nothing whatever to do with miners' diseases. In consequence of that, the mining companies would have to carry the risk of their own employees without cover.

Hon. J. J. Holmes: Why should they not do so?

Hon. J. M. DREW: They are members of the community, and like all the rest of the State they are entitled to have insurance made available to them. But here, in the case of accidents occurring, there would be no protection at all for the mining companies. In any other part of the State insurance companies afford protection to those engaged in industry, but they bar the mining industry. For what reason? I have never been able to answer that question. A great disaster might have occurred in any of the mines, and the mining company

would have had to carry the load. And in some cases where small mining companies were in shaky financial position the employees, if they met with accident, would get no compensation whatever, or if they were killed there would be no compensation for their widows. In any case if the State Insurance Office had not gone to the rescue, some of the larger mines, fearing the risk involved, would probably have closed down; because at that period the mining industry was in a parlous condition.

Hon. J. J. Holmes: The difficulty would have been overcome if you had approved of companies in that Bill.

Hon. J. M. DREW: They would not give a quote for the business. They refused, times without number. The insurance companies withdrew from the mining companies all the protection they had extended to them through the medium of accident policies, and the Workers' Compensation Act lost all its effectiveness on the Eastern Goldfields and the Murchison Goldfields. The Government were faced with a dilemma: Either to allow the existing conditions to continue, to give no protection to the goldmining industry, or to open a State Insurance Office. They decided upon opening the insurance office in order to give protection to all concerned. It will be asked why was not Parliament called together to authorise the establishment of that office. The reply is that there was no time in which to do so. The insurance companies abandoned the fields of workers' compensation respecting mining companies on the 5th June, 1926, and the Government opened the insurance office ten days later, or on the 15th June of the same year. Parliament had been prorogued till the 29th July, 1926. There were only six weeks to run, and the Bill was introduced on the 24th August, after the Address-in-reply in another place had been concluded. It was impracticable to call Parliament together at an earlier date, for the members representing the North-West had to be notified, and it would have been impossible to bring them down in time. It might be said that the Government should have awaited parliamentary sanction before opening the office. Had they adopted that course, what would have become of the mining companies in the meantime? To that question no satisfactory reply has ever been given. They would have been carrying on the risk for a time, but before long they would have closed down. A period of ten years has elapsed since the State Insurance Office was first opened. It was predicted during the first session of Parliament following the establishment of that office that it would be involved in heavy losses. Some members of this House estimated that the losses would reach £500,000 per annum, while other members declared that the losses would run to £800,000 per annum. Of course they came to that conclusion in good faith, because at that time it was impossible to form any estimates as to what the cost would be. As I say, ten years have now elapsed and there have been no losses, although there have been heavy surpluses all along the line.

Hon. J. J. Holmes: What about the contingent liability?

Hon. J. M. DREW: The hon. member can go into that with a qualified accountant, and he will soon realise the position. It may be thought that Government funds were used for the purpose of financing this institution. But not a penny of Government funds was ever used for the purpose. It has stood on its own feet from the very inception, and no capital has been put into it. It has continued, although it would have been impossible to do so had it not been making ends meet from the very commencement. In 1930 the National Party and Country Party Coalition came into office and were in power for three years. Before accepting the reins of power they denounced the State Insurance Office, especially did the Country Party denounce it; but when they entered office they clasped it to their bosom. Why? Because it was a revenue producer. Otherwise, in accordance with their principles we should have had a Bill down to abolish it without delay. But, as I say, they gave it their blessing. Then they went one better. Mr. Baxter said that in 1932 a Bill was introduced. But another Bill was introduced by the National-Country Party Coalition in 1931. It was a Bill of extremely socialistic type. I have never seen or read of anything else like it. It is a great pity it was not passed. Under it employers and employees were to control the fund for the payment of compensation, and the Government were to set up an insurance office to be run by three commissioners to be appointed by the Government. It would

enjoy a monopoly and the Government would guarantee the fund.

Hon. H. Seddon: Is that the Bill that the Labour Party voted against?

Hon. J. M. DREW: There were objectionable features about the Bill. One of the Ministers, in his advocacy of it, pointed out the perils of private enterprise. Speaking of insurance companies, he said—

> There is a combine here; of that there is not a shadow of doubt, but unfortunately it is prepared to exploit the position to the full to maintain elaborate and unnecessary establishments, if hon. members fail to safeguard the industry by refusing to pass the Bill.

Hon. J. J. Holmes: Who was the Minister?

Hon. J. M. DREW: I am not mentioning names. That was the socialistic Bill to which I referred.

Hon. J. J. Holmes: That was the Bill Mr. Seddon said you opposed.

Hon. J. M. DREW: As for myself, I never went as far as to say what the Minister I quoted remarked. Another Minister in another place applauded the provisions of the Bill, and amongst other things said—

> Future employees will not be concerned as to whether the employer has paid the premium, or the employees, if occasion should arise, will be compensated out of the fund. It will be the duty of the Chairman of the Commission (the Government Actuary) to strike a rate on all industry.

That was the Bill introduced, as I said before, by the National-Country Party Government.

Hon. L. Craig: National-Socialistic party.

Hon. J. M. DREW: The main object of the Bill, as was indicated by Mr. Heenan, is to legalise the State Insurance Office. There is a provision for the extension of its operations at the option of any Government that may be in power, but the main principle appears to be to make the office fully effective in order to enforce the provisions of the Workers' Compensation Act on mining syndicates and small companies of a shaky financial standing, and who are at the present time, according to what we hear, evading their obligations to a large extent. The Bill, as far as I can see, gives no monopoly to the State office. In that respect it differs materially from the Bill which was introduced by the National-Country Party Government in 1931. It should be remembered—I think it is forgotten—that the Bill introduced in 1926 endorsed the principle of a State Insurance Office.

Hon. G. W. Miles: It was never endorsed by this House.

Hon. J. M. DREW: It was; the Bill passed its second reading.

Hon. G. W. Miles: But it never got any further.

Hon. J. M. DREW: It went as far as a conference of both Houses. At that conference there were differences of opinion which were responsible for wrecking the Bill. If members will look up the records, they will find that what I have said is perfectly correct. In 1924 this House assisted to make workers' compensation insurance compulsory. Having gone so far, members should consider this point, that where compulsion is employed legislatively, there should be means provided in certain circumstances by the State for the carrying out of the purpose of that compulsion. The Workers' Compensation Act made insurance compulsory and that should be followed up by State insurance, otherwise the risk is run of throwing the unfortunate people who are obliged to insure into the hands of the monopolists who could charge whatever they thought fit by way of premiums. Hence, having decided to make insurance compulsory under workers' compensation, hon. members should realise that they must go a step further to protect those who have to insure, and to protect them by, in this case, validating the Bill to legalise the State Insurance Office, in order that it may become effective and give continuous service to the mining and other industries that choose to take advantage of its provisions, and therefore in keeping with the Workers' Compensation Act supply a channel through which insurance can be obtained.

Hon. J. J. Holmes: Will this Bill, if it comes into force, create a monopoly?

Hon. J. M. DREW: No. Suppose the State Insurance Office were to close down to-morrow; what would be the result? Would the other insurance companies insure under the Third Schedule of the Workers' Compensation Act? Is there any guarantee that they would do so at a reasonable figure? They have never made any request to do so. If the Bill before us were to be thrown out, and if the State Insurance Office were to close down, there would be a tumult on the goldfields. The mining companies would be at the mercy of the private insurance companies until the State office was re-opened. There would

be a wholesale demand and a vigorous outcry for its re-opening. We have been told that the Bill has been before Parliament four or five times. I do not think that is a fact. The Labour Government introduced a Bill in 1926 and I think again in 1927 and then two or three years ago another Bill was presented. However, even supposing the Bill had been submitted 20 times and rejected 20 times, would that be any argument for its rejection again? The stability of the office has been proved and even now I cannot see that any member of this House who previously opposed the Bill and who now supports it will be stultifying himself by giving it that support. I am prepared at any time with the weight of evidence to change my opinion. I have done so when there has been sufficient evidence to show that a decision I gave was not on the whole of the information available. When it came before me I turned round straight away and altered my course in the interests of justice. I ask members to give the Bill serious consideration and not to reject it. There may be parts requiring amendment, but it seems to me to be bordering on the ridiculous to continue rejecting the measure from time to time when circumstances have altered. Even the Government that was in power in 1926 is different in its personnel to-day. Of the nine Ministers who composed it, only four are left now. So that this is quite a different Government from that which introduced the Bill. Of the members of this Chamber who were members in 1926, there are only 13 now. I trust that the House as it is composed to-day will give serious consideration to the Bill, and by passing it will end the persistent and continual struggle for the validation of the State Insurance Office.

HON. E. H. ANGELO (North) [10.12]: Since the debate first started I have interviewed several of the insurance heads and asked them whether the statement made that they had refused to quote at the time the Miners' Phthisis Act was introduced, was correct, and also whether they were prepared to quote against that risk now. I have been assured that had they been in possession of the information which they asked the Government to give them at that time, quotes would have been forthcoming, and further, that now with the experience they have had of the risk—and provided the Government gave them the figures of the claims paid and the premiums received—they would be only too pleased to quote. I have been assured there is no monopoly. There are other companies outside any association who are cutting one against the other and who would be prepared to quote for any such risk as this. At the present time, however, the Government have taken over the whole of the business and are treating it as a monopoly.

Hon. J. M. Macfarlane: The usual practice is to chase the business, and the insurance companies have not been chasing it for several years.

Hon. E. H. ANGELO: I do not know whether this business really comes under the heading of insurance. It is not so considered in other parts of the world. In South Africa the administration of the miners' phthisis law is vested in a separate bureau. These diseases are not included in the Workers' Compensation Act. In New South Wales miners' diseases are administered by a separate fund. The Tasmanian State Office refused to quote for miners' diseases, and here, too, they are separate from workers' compensation. In New Zealand miners' diseases are operated under a separate fund. In Queensland they are administered by the State office, but it has been found necessary to transfer many thousands of pounds from the general accident department to cover deficiencies under miners' diseases. The risks in the Third Schedule should be controlled by a fund in the Mines Department in the same way as fees for vermin eradication are collected and controlled by the Agricultural Department. The mines should contribute to the fund. Members do not realise what the fund is costing the general taxpayer. According to the Auditor General's report laid on the Table this evening, he says—

> Following the proclamation of the Mine Workers' Relief Act, 1932, on the 1st February, 1933, no further cases were compensated under the Miners' Phthisis Act, but the obligations entered into in regard to persons who had been dealt with under such Acts are still being met by the State. Compensation paid by the State under the Miners' Phthisis Act has been charged against the revenue fund, and the amount charged has been reduced by transfer from the fund to the State Insurance Office. The effect on the revenue fund to the 30th June, 1936, was as follows:—Gross charge for compensation from the 7th September, 1925 (when the first Miners' Phthisis Act of 1923 was proclaimed) amounted

to £539,213, less amount transferred over a period of years from the funds of the State Insurance Office, £120,000. Net revenue fund charge, £419,213.

The Auditor General goes on to say—

The Government Actuary, who controls the State Insurance Office, has not concurred in the amount of £120,000 transferred from the funds of that office, and no information has been made available to the audit office to indicate whether the amount transferred represents an equitable charge against the funds of the State Insurance Office in regard to the compensations paid.

I would oppose the Bill on three grounds. Firstly, that it is an unnecessary trading concern; secondly, I doubt whether it will not eventually become a burden on the taxpayers; and thirdly, I am not satisfied that the State office will give the same consideration and satisfaction to the assured. Ours is a huge State with a small population that is not very wealthy. It is impossible for its people to run railways, State ships, and such huge concerns, because they have not the money. If we call in people from outside to run the big transport utilities they would want a great deal of profit. I have therefore always contended that State railways and State ships are legitimate developmental utilities. I have always opposed State Brickworks, State Hotels, and the like. We have any number of people in Western Australia who can run these concerns, and who are running them. There is no chance of any monopoly because there are several people competing against each other, more especially in respect to hotels. In this State we have 70 insurance companies, not all amalgamated, and some of them fighting against each other. There is no necessity for a State Insurance Office. With regard to the office becoming a burden on the taxpayers, last time the Bill was introduced the Chief Secretary gave some interesting figures dealing with the office. I submitted those figures to a chartered accountant, together with a copy of the auditor's report. He put a different complexion on the figures. It appeared that the premiums under the Miners' Phthisis and kindred Acts all went into the State Insurance Office, but the State, out of Consolidated Revenue was paying a great proportion of the premiums. The Auditor General has stated that. Last year the Auditor General wound up portion of his report by saying that the amounts of the industrial diseases section were not complete in regard to the liability on the claims admitted, and there was insufficient data from which to ascertain the year's results. How are we to reconcile the comments of the Auditor General with the figures as supplied by the Chief Secretary on a previous occasion, and by the Honorary Minister on this occasion? I support the suggestion of Mr. Thomson that, if the Bill passes the second reading, it should be referred to a select committee so that we can get all the people concerned before it and find out who is right. We could also secure evidence to ascertain whether the starting of the insurance business was as stated by Mr. Drew. We should certainly have full information before we go much further. I wish to quote from an opinion given by a leading counsel for the American Federation of Labour as to the disability of a State insurance office. He says:—

In my position I come into touch with labouring men generally. From my acquaintance with the entire subject I am satisfied with the present system of competitive insurance, and I am strongly of opinion that anything in the nature of State insurance is opposed to the interests of organised labour and against the better interests of the working classes generally.

That is the opinion of one of the highest men in Labour circles in America.

Hon. C. B. Williams: Nonsense! They do not go in for politics there.

Hon. E. H. ANGELO: In regard to the question of sympathetic treatment, I wish to quote from the "Sydney Morning Herald" of the 16th September. It is as follows:—

GOVERNMENT MANAGEMENT

And Private Enterprise.

A telegram from Lithgow published yesterday stated that complaints were made at a meeting of the local hospital board that the Government Insurance Office opposed claims on any paltry point and fought cases that private companies would not take to court. It is not intended to uphold or dismiss the statement of the president of the hospital who it was made the complaint. This may be said, however, that his statement discloses the whole difference between Government management and management by private enterprise. With private enterprise, a manager, whether of a firm or a company, has discretion to overlook any misstatement or incomplete statement made by the holder of a policy. He is answerable to his employer, who trusts that he will hold the balance fairly between the company and the policy-holder. The real employer of a Government official is the body known as the general

public, and for the protection of that employer there has been instituted the practice known as red tape. Everything must be done strictly in accordance with the bond. If a Government official shows any inclination to take a broad view of a contract he may be accused of favouritism or of worse. Always there is an auditor to criticise his action. If conditions have not been fulfilled, even though he knows that the unfulfilled conditions are not vital to the matter, what is he to do?

I have other quotations and could mention a number of complaints that have been made in Queensland, New South Wales, Victoria and other States concerning the treatment by State insurance offices.

Hon. C. B. Williams: I will give you a list to-morrow against the Western Australian State Office.

Hon. E. H. ANGELO: Goldfields members who are supporting the Bill are entitled to look after the interests of their electors, but would it not be better to reject the Bill and for the Government to bring in some new method of dealing with miners' diseases? Why not follow the example of South Africa and have a separate fund, or a bureau? Accounts could be kept in the Mines Department and placed in the charge of an officer who would collect the various premiums, the contributions from the mines and the Government, and pay out the claims as made. Why have an insurance office at all? We are asked what would happen if we do not pass the Bill. The Government say they have created a reserve. They could put that money into a suspense account and pay claims from it. The administration of the Miners' Phthisis Act could be looked after in this way. There is nothing to prevent the Government from running their own fire insurance office or even an employers' accident fund, without having a special office. That is done by the big companies, who carry their own insurance. They simply open a fund into which the premiums are paid and from which they draw out the compensation. This is the type of activity the Government ought to engage in. They should be carrying their own fire risks and their own accident risks.

Hon. J. M. Drew: They have been doing so for 24 years.

Hon. E. H. ANGELO: Why should they not continue to do so instead of running this State office? The 70 insurance companies employ a couple of thousand men who pay taxes such as the emergency tax, the income tax and the land tax. The companies pay rents, whereas the Government office does not do so. They also pay taxation. When people in the community are doing good work, the Government should leave them alone. Why interfere with a business that has been conducted so satisfactorily? I would remind the House that the insurance companies have lent large sums of money required for the provision of Government activities, and in Western Australia they have spent huge sums of money on the erection of beautiful buildings that are adornments to the city. I hope the Bill will not be passed, for I regard it as not at all necessary. The Government can carry on as in the past with their own insurance. Miners' phthisis and other insurance of that nature can be dealt with without the necessity for any specific office, but under a separate fund. I am perfectly certain the private insurance companies will afford all the satisfaction that is required. The Government say they are out to reduce insurance costs to the public. They can do that far better by amending the Workers' Compensation Act, not by lessening the amount of compensation available to the injured worker, but by cutting out some of the undue charges made by the medical fraternity. Two years ago I spoke on that phase, and my statements then were more than verified in an article that appeared in the "West Australian" last week. I refer to a statement made by the president of the Western Australian branch of the Medical Association in which he declared the intention of the local board to discipline their members who continued to abuse the privileges enjoyed under the Workers' Compensation Act to the detriment of the vast majority of medical men who consistently rendered fair and honest accounts. That bears out my contention of two years ago, and if we were to amend the Workers' Compensation Act in such a manner that the medical fraternity would be forced to charge reasonable amounts, the cost of insurance would be greatly lessened and there would be no excuse for the creation in Western Australia of a State insurance office.

HON. T. MOORE (Central) [10.32]: Seeing that I represent a province that includes mining activities that will be affected unless the State Government Insurance Office is continued, I may be accused of not carrying out my duty if I do not participate in the discussion. Had I been in

any doubt as to how I should vote regarding the Bill, I must have been convinced of the necessity to support the measure by the speech of Mr. Angelo. I had no idea that we carried the thousands of men that he talked about when one company could do all the work without that army of men going about the country. Mr. Angelo said that they paid taxes, and so forth.

Hon. E. H. Angelo: There must be quite 2,000 of them, anyhow.

Hon. T. MOORE: The hon. member said there were thousands. When people awaken to that fact, they will realise the necessity for the State Insurance Office.

Hon. E. H. Angelo: I referred to agents, and so forth.

Hon. T. MOORE: From my point of view, they are not helping to carry the burden of the country; rather do I and those who are on the land help to shoulder that burden. I do not think Mr. Angelo made the case for the private companies any better by his remarks. He was in error when he said the State Insurance Offee had been a burden on the taxpayer.

Hon. E. H. Angelo: I said I was afraid it might become a burden on the taxpayer.

Hon. T. MOORE: The hon. member said that so much had been paid by the Government under the Miners' Phthisis Act, whereas that had nothing to do with the State Insurance Office.

Hon. E. H. Angelo: They received the premiums.

Hon. T. MOORE: That applied to miners who were taken out of the mines prior to this office being established.

Hon. C. B. Williams: It was one of the conditions that these men should be taken out of the mines before the private companies would quote.

Hon. T. MOORE: That is correct. Mr. Angelo certainly was wrong. The private companies would not do so, and then the State Insurance Office came to light.

Hon. E. H. Angelo: I quoted from the Auditor-General's report.

Hon. T. MOORE: The hon. member made a mistake regarding the two amounts he quoted.

Hon. C. B. Williams: He did not understand his case.

Hon. T. MOORE: That £120,000 was taken to assist the general taxpayer. That is the chief difference between what the hon. member suggested and what really happened. Then the hon. member spoke about the sympathetic treatment accorded clients by private companies. I will tell Mr. Angelo of one case I know of. A young fellow working in the back country met with an accident. He wrote to the insurance company, who ignored his letter. The young fellow's father was a pretty good business man, and he wrote to the company, but again no reply was received. Then the young fellow wrote to me. I saw the manager and found him to be a very bombastic individual quite the reverse of the sympathetic type Mr. Angelo spoke about. The manager started to argue and said to me, "You know, Moore, this is really an anomaly in the Act." I said, "Is it not in the Act, and are you not quoting on the Act as it stands?" He said, "Yes," to which I replied, "Then why do you not pay?" Sympathetic treatment indeed! I am satisfied that men in those positions are picked, like the gangers are on the line.

Hon. E. H. Angelo: But what you describe is an isolated case.

Hon. T. MOORE: I am afraid men are picked for these jobs so that they will show results for the companies. They are picked so that at the end of the year the shareholders will get a little extra. That is one experience I have had with the sympathetic manager of a private insurance company. There are scores of such instances in connection with which union secretaries are working day by day in their endeavours to get what the injured workers are entitled to. Mr. Angelo need not bring up that phase, because I can give him a lot of evidence to indicate how sympathetic these private insurance companies are.

Hon. J. M. Macfarlane: Do you ever hear any imputations against the State Insurance Office?

Hon. T. MOORE: I believe there are complaints. But the hon. member would have us believe that the State office is always wrong and the private companies always right. That is not the position, because I am constantly meeting people who are always arguing about just how much they will be able to get by way of compensation. I hope the House will do the right thing and recognise that the State insurance business was forced upon the Government, and that without its continuance there would be chaos to-morrow. Rather than a burden on the taxpayers, the State insur-

ance business has proved quite the reverse. If the State Insurance Office were to go out of business to-morrow and the private companies were prepared to quote, they would quote in respect of young men who had just gone into industry. They will continue in industry for years until finally the inevitable will happen. Then the private companies could either increase their premiums or go out of business. They have put up their premiums in connection with other forms of insurance business respecting which the element of danger is not as great as that associated with mining. In that event, the State would have to go to the assistance of the workers, as has been necessary in days gone by. That is exactly what would happen if the State Insurance Office were to go out of business. Private companies would refuse to quote for business that ceased to be attractive, or else make the premiums prohibitive. Thank goodness, we have the mines that are capable of absorbing so many young men, but if they were not covered by insurance, when the inevitable calamity developed, the Government would have to find the funds necessary for them. That is what has happened in the past. I think members should get the view of the people who are most interested. Those who are most interested are those working in the fields to-day. Members should support the second reading of the Bill and carry it through to finality

HON. H. SEDDON (North-East) [10.41]: I find myself in a most peculiar position. While I consider the establishment of this office is entirely against the principles upon which parliamentary government should be carried out, I have to support the second reading in order to protect the men engaged in the mining industry. At least one company went into the question of insuring these men with the idea of trying to quote for the business, not so much for the purpose of making a profit from the business as to bring the company more prominently before the people of the State. The result of the investigation was that they found they could not quote a premium to meet the case. They found they would be quoting not for a risk but for a certainty. They declared it was not an insurance risk but the provision of an endowment for men who were injured as a result of following their occupation. In those circumstances, I would like to ask the House what is to happen unless we make some provision to protect these men? There is the question of contingent liability. Again and again reference has been made to the figures accumulated in connection with the State Insurance Office. These figures have been referred to as profit. Anyone who investigates the claim will realise that this is the usual provision made for contingent liabilities which will arise under the Miners' Phthisis Third Schedule risk. I intend to support the Bill with the idea of confining the operations of the office entirely to protection for men engaged in the mining industry. I want to make a few remarks with regard to the sympathetic attitude of the State office. One of the biggest arguments raised in the past when the Bill providing for State insurance was brought before the House was the fact that the office would view claims from the men with a sympathetic attitude. Mining members will support me in the claim that this sympathetic attitude boils down to this: that in a good many cases presented for claim the insurance office has sheltered itself behind rulings from the Crown Law Department. When it comes to a question of quibbling out of payment, the State Insurance Office is as keen to take advantage of the rulings of the Crown Law Department as would be a private company.

Hon. E. M. Heenan: The men do not want sympathy; they only want their rights.

Hon. H. SEDDON: Frequently they find their rights are seriously jeopardised by the attitude of the Crown Law Department. There was an instance only the other day. Members will find that the definition of a worker under the Workers' Compensation Act does not include a man who receives over £400 a year. The interpretation of the State Insurance Office is that a man who is paid at the rate of £400 a year cannot be insured. In the case I refer to the man was receiving at the rate of £400 a year but was only working for a certain portion of the year. It was contended that he was disqualified for insurance, but the contention was not sustained later. This sympathetic consideration which has been referred to is not as general as might be supposed. I have to support this Bill because I want to see these men provided for. There are other points in the Bill with which I wished to deal, but as the hour is late, I shall not speak further. I have made my position clear. I find myself compelled to support the Bill. The institu-

tion has been established in circumstances which may create a dangerous precedent and possibly result in a grave injustice to our citizens later on.

HON. J. NICHOLSON (Metropolitan) [10.50]: The whole question involved in the Bill is one which should be determined by members in accordance with such principles as they hold regarding State trading. A great number of figures have been quoted and statements have been furnished of the results of the State department. References have also been made to the attitude adopted by the incorporated companies. I do not propose to traverse any of those arguments. I shall rest my view on one ground, namely State trading. This Bill proposes to make the State Insurance Office one of the activities under the State Trading Concerns Act. Whenever Bills of a similar kind have been brought before the House, I have consistently voted against either the creation or extension of any State trading activities, and accordingly I must adopt the same attitude on this occasion.

THE HONORARY MINISTER (Hon. E. H. Gray—West—in reply) [10.52]: The House is certainly indebted to hon. members representing mining constituencies for their contributions to the debate, and also to Mr. Drew for his speech. The remarks made by those members answer practically all the arguments which have been advanced, firstly, against the original establishment of the State Insurance Office and, secondly, regarding the contention between the companies and the Government during the negotiations for the insurance of the miners. I do not propose to reply at length, but I wish to answer a few of the points raised. Mr. Miles and Mr. Holmes wanted to know the whereabouts of the reserve fund. The reply is that a substantial amount is held by the Government to meet possible claims, and the remainder is invested in Australian consolidated stock. According to the Auditor General's report, a sum of £27,200 has been earned by way of interest up to this year. I wish to take up the challenge issued by Mr. Baxter when he strongly disputed the figures I quoted in moving the second reading of the Bill.

Hon. J. J. Holmes: Those funds will probably be a set off against losses made by other trading concerns.

The HONORARY MINISTER: That is not so. If there were any danger of that, it could be prevented.

Hon. J. J. Holmes: The Bill creates that position.

The HONORARY MINISTER: There would be no monopoly; neither would the Government take advantage of their position to create a State monopoly.

Hon. C. F. Baxter: You cannot commit all Governments.

The HONORARY MINISTER: No self-respecting Government would dare do it. It is not the policy of the Labour Government, anyhow.

Hon. C. B. Williams: They are very respectable, are they not?

The HONORARY MINISTER: I was referring to the challenge by Mr. Baxter of the figures I gave. I should not have been surprised had the figures been challenged by any member who had not held Ministerial office. One member, to comfort me, said it was possible to make figures prove anything. I do not agree with that statement, though I admit that it is possible to place a wrong construction on figures. When it comes to a simple computation of accounts, however, it is impossible to make figures prove other than what they purport to prove, unless an untrue statement be made.

Hon. C. F. Baxter: Do you allege that I made an untrue statement?

The HONORARY MINISTER: The hon. member represented that I had made an untrue statement to the House.

Hon. C. F. Baxter: Here are the figures, in the "Western Australian Pocket Year Book."

The HONORARY MINISTER: Mr. Baxter knows full well that any Minister must, of necessity, rely upon the departmental officers for his information.

Hon. C. F. Baxter: I said that.

The HONORARY MINISTER: The figures I quoted were supplied to me. Either one of two inferences must be drawn from Mr. Baxter's remarks; either the departmental officers misled me and the House, or I wilfully distorted the figures.

Hon. C. F. Baxter: No.

The HONORARY MINISTER: No other construction can be placed upon the hon. member's remarks. My desire is to follow the examples set by Mr. Drew and the Chief Secretary, namely always to present a case based on facts. During my 13½ years in the House I have gained sufficient

knowledge to appreciate how futile it would be for any member to present a case not based on actual facts.

Hon. C. F. Baxter: I had not the slightest feeling in that direction. I was referring to the figures supplied to you.

The HONORARY MINISTER: Mr. Baxter has fallen down badly.

Hon. C. F. Baxter: No, here are the figures in this book, exactly as I gave them.

The HONORARY MINISTER: But the hon. member made one error; the figures he gave included those of the State Insurance Office.

Hon. C. F. Baxter: Since when has the State office conducted general insurance business?

The HONORARY MINISTER: The State office figures are included in those given by Mr. Baxter and the ratio of expenses to premium income, viz., 2.1 per cent. and 1.8 per cent., incurred by the State office substantially reduces the general average of the insurance companies, of 37.1 per cent. and 36.9 per cent. respectively.

Hon. C. F. Baxter: How otherwise was it possible for me to arrive at the figures? They are the figures of general insurance business.

The HONORARY MINISTER: But they include the figures of the State office.

Hon. C. F. Baxter: The book says they are the figures of general insurance business.

The HONORARY MINISTER: I repeat that they include the State insurance business.

Hon. C. F. Baxter: Then the figures are wrong, and the Government Actuary has misled us.

The HONORARY MINISTER: I would not say that he has misled us.

Hon. C. F. Baxter: But he has.

The HONORARY MINISTER: I assure the hon. member that the position is as I have stated it.

Hon. C. F. Baxter: Can you show any other way in which I could have obtained the figures?

The HONORARY MINISTER: The hon. member could have made inquiries from the department concerned.

Hon. C. F. Baxter: Where?

The HONORARY MINISTER: The hon. member should have made inquiries. He must have known that the figures supplied to me were unchallengeable.

Hon. C. F. Baxter: If that is so, the Government Actuary's figures were wrong, and I have yet to learn where else I could have got the information.

The DEPUTY PRESIDENT: Order! This dialogue has proceeded far enough.

The HONORARY MINISTER: Mr. Baxter sought to show that my figures were wrong by about 16 per cent. My statement was that the average expenses of the private companies were 37.1 per cent. The very low figures—2 and 1 per cent.—quoted by me as applying to the State office were correct. A strong case has been made out why the Bill should be passed. The subject has been debated from every point of view. I would urge upon members to cast their votes in favour of the measure. I think in future the cost of compensation will come down. I was very pleased that Mr. Angelo quoted the remarks of the retiring president of the British Medical Association. I agree with what he said—that there is a small minority of the profession which battens on the unfortunate disabilities of victims of industry. The cure for that will come through the profession. This means that the operation of workers' compensation in future will be greatly reduced in cost. A case has been put up why the State Insurance Office should be legalised. The arguments of representatives of the goldfields are sufficient for that purpose. We cannot allow men to go uninsured, and have them come to the State Department for sustenance, as happens to-day. Owing to a defect in our system men of straw are allowed to leave their employees uninsured and they have to come to the Government for sustenance. That must be stopped, and the only effective way to do it is to legalise the State Insurance Office. There is provision in the Bill for an extension of that office. Although that does not seem very popular amongst members of this Chamber, it is the policy of the Government to have a State Insurance Office. Western Australia is peculiarly situated for the operations of a State Office in competition with private companies. Reference has been made to the large number of men who canvass for insurance companies. No one can argue that that is desirable. Every man who can work should be engaged in producing wealth rather than in the uneconomical work of canvassing. The State would be better off if that money were saved and the accumulated

funds were put into the expansion of industry within the State.

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

Ayes	10
Noes	12
Majority against	2

Ayes.	
Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. T. Moore
Hon. C. G. Elliott	Hon. H. Seddon
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. M. Heenan	Hon. G. B. Wood (*Teller.*)

Noes.	
Hon. E. H. Angelo	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. A. Thomson
Hon. V. Hamersley	Hon. H. Tuckey
Hon. J. J. Holmes	Hon. W. J. Mann (*Teller.*)

Pairs.	
Ayes.	Noes.
Hon. A. M. Clydesdale	Hon. H. S. W. Parker
Hon. E. H. H. Hall	Hon. C. H. Wittenoom
Hon. G. Fraser	Hon. J. M. Macfarlane

Question thus negatived, the Bill defeated.

House adjourned at 11.8 p.m.

Legislative Assembly,

Tuesday, 27th October, 1936.

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

AUDITOR GENERAL'S REPORT.

Mr. SPEAKER: I have received a copy of the Auditor General's report, which I will lay on the Table.

QUESTION—SEWERAGE, CLAREMONT-COTTESLOE.

Mr. NORTH asked the Minister for Works: 1, What is the policy governing deep sewerage house connections in Claremont-Cottesloe—(a) where septic tanks are already installed; (b) where the sanitary service is still in use? 2, Is he aware that many owners were compelled to connect with the deep sewerage although they had already, at great expense, installed septic tanks? 3, Is he also aware that in other cases residents are still using the pan service? 4, When is it expected that the pan service will be abolished in the sewered area of Claremont-Cottesloe?

The MINISTER FOR WORKS replied: 1, Connection to sewer is compulsory, notwithstanding existence of a septic tank. Septic tanks serve W.Cs. only; whereas deep sewerage disposes of all household wastes. 2, Yes. 3, Yes. 4, When all premises are connected. Endeavours are made to get owners to connect, but in cases where they are unable to finance work deferment is granted, subject to municipal council continuing the pan service.

BILLS (2)—THIRD READING.

1, Land Tax and Income Tax.

2, Land and Income Tax Assessment Act Amendment.

Transmitted to the Council.

BILL—TRADE DESCRIPTIONS AND FALSE ADVERTISEMENTS.

Further report of Committee adopted.

BILL—METROPOLITAN MILK ACT AMENDMENT.

Second Reading.

THE MINISTER FOR AGRICULTURE (Hon. F. J. S. Wise—Gascoyne) [4.35] in moving the second reading said: As is indicated in the Title, this is a Bill for an Act to continue the operations of the Metropolitan Milk Act, 1932, with certain amendments. The board has had a very unpleasant task to contend with. It has been the butt for all and sundry who have had an interest in some particular avenue connected with the milk industry. Members will recall that last year many amendments were