

Act. A tenant could not approach the court in less than six months if the provision were not retained. The hon. member said there are few such cases, but we do not know how many there are.

Hon. J. G. Hislop: They would be held up for only 30 days.

The CHIEF SECRETARY: Not necessarily; they might be held up until October, and that would be the best part of three months. This is a form of protection that is required.

Clause put and passed.

Postponed Clause 14—Section 17 amended:

Hon. H. K. WATSON: In view of the Committee's decision on Clause 18, we need to defeat this clause.

The Chief Secretary: That is so.

Hon. H. K. WATSON: That applies to Clauses 16 and 17 also.

Clause put and negatived.

Postponed Clauses 15 to 17—disagreed to. Title—agreed to.

Bill reported with amendments.

BILL—POLICE ACT AMENDMENT.

Received from the Assembly and read a first time.

House adjourned at 8.35 p.m.

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

QUESTIONS.

OIL, CRUDE.

As to State and Commonwealth Governments' Percentages.

Mr. NORTON asked the Minister for Mines:

(1) Will he inform the House what percentage the State Government will receive on crude oils if, and when, such are produced in Western Australia—

(a) reward wells;

(b) other wells?

(2) Will he state the percentage which the Commonwealth Government will receive on such crude oil—

(a) reward wells;

(b) other wells?

The MINISTER replied:

(1) Royalty provided under the Petroleum Act for the State is not less than 5 per cent or more than 10 per cent, of the gross value as from time to time, at intervals of not less than 12 months, agreed upon by the Minister and the lessee, of all crude petroleum, casinghead petroleum and natural gas produced.

(a) the royalty on producing leases located by the original discoverer within five years of the first one has been fixed at 5 per cent. for the first fifteen years: thereafter not to exceed 10 per cent.

(b) royalty on others will be within the royalty range provided, viz., 5 per cent to 10 per cent.

(2) As far as I can ascertain, the Commonwealth Government will collect income tax from the producing companies at the rate of 30 per cent. on the first £A5,000 per annum, and 35 per cent on the remainder. There is, I understand, a special provision in the Commonwealth Income Tax Act relative to income from oil producing operations, which provides that no

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income tax will be assessed until the full amount of capital expenditure has been recovered through tax deductions.

It will be noted that State royalty is on gross output at the well-head. The Commonwealth Government return will be from income tax.

SEWAGE.

As to Existing System and Future Requirements.

Hon. C. F. J. NORTH asked the Minister for Works:

(1) Is the present system of sewage disposal giving every satisfaction?

(2) Has the cause of the occasional noxious odours which pervade Graylands from time to time been located and dealt with?

(3) What proportion of the fertilising value of the metropolitan sewage is recovered for use in the soil?

(4) Will the present and prospective growth of the metropolitan area entail any additional systems?

(5) Is there a suitable location for a sewage farm as at Werribee, Victoria?

The PREMIER (for the Minister for Works) replied:

(1) Yes.

(2) Yes. Steps have been taken and will continue to be taken to minimise odours, which have been markedly reduced.

(3) As far as can be ascertained, not less than 25 per cent., plus the value of sludge for humus.

(4) Yes.

(5) No.

CITY WASTE.

As to Composting.

Mr. JOHNSON asked the Minister for Health:

The April issue of the "A.N.Z. Bank Quarterly" carries an article on the profitable composting of city waste in St. Kilda, Victoria, and in Canterbury, New South Wales, as well as overseas.

(1) Have such projects been examined for practicability in the City of Perth recently?

(2) Would not some such scheme be preferable to the present method of disposal?

The MINISTER replied:

(1) Yes.

(2) Yes, but the installation of the necessary plant would be extremely costly and the expenditure involved would not be justified unless a satisfactory market could be found in Western Australia for the salvaged product.

BUS SERVICES.

As to Newcastle-st. Route.

Mr. JOHNSON asked the Minister for Transport:

In regard to the bus service in Newcastle-st., Leederville, will he consider using a site in Regent-st. as the terminus for this service, so that residents in that and adjacent streets can use the service readily and also to reduce traffic congestion at the Oxford-st. junction?

The MINISTER replied:

Regent-st. is not wide enough for the purpose. Commencing on Sunday, the 1st August, the bus terminus will be in Woolwich-st., close to Regent-st.

EDUCATION.

As to Teachers' Allowances

Mr. HUTCHINSON asked the Minister for Education:

(1) Were the steps to amend that part of the Education Act regulation, which stated that "the allowance shall not be paid if the difference is less than £5," taken before or after Thursday, the 15th July?

(2) If before, what was the date upon which the departmental officers concerned were officially taken off the work associated with the implementation of that portion of the regulation?

The MINISTER replied:

(1) and (2) I decided before the 15th July that no reduction would be made, and administrative action to give effect to that decision was commenced on the 20th July.

HOUSING.

(a) As to Evictees Accommodated.

Mr. WILD asked the Minister for Housing:

In connection with people housed by the State Housing Commission, following eviction by court order from the 1st July to the 22nd July, 1954—

(1) What were their names and addresses prior to eviction?

(2) The number, sex and age of children in each family?

(3) The approximate weekly income being received by each family?

(4) The date they first applied to the State Housing Commission for a Commonwealth-State rental or war service home?

The MINISTER replied:

In replying to similar questions on Tuesday the 13th July, 1954, information relating to the names and incomes of evictees was supplied, but it is felt that this

information is of a personal nature so far as the individuals are concerned and should be regarded as confidential by the commission.

In replying to these questions I have therefore omitted from the accompanying schedule the names of evicted persons. The details are as follows:—

District.	Children.				Weekly Income (from application form or interview).	First Date of Applica- tion.
	No.	Sex.		Ages.		
		Male.	Female.			
1. East Fremantle....	2	1	1	5½ and 4½ years. Also Father and Mother	£ s. d. 8 0 0	27-10-49
2. Victoria Park	3	2	1	5, 14, 7 years	12 2 0	8-1-54
3. Fremantle	2	1	1	1½ years, 6 mths.	13 11 6	13-5-54
4. South Fremantle	5	2	3	19, 17, 16, 14, 11 years	13 0 0	19-7-51
5. South Fremantle	5	2	3	19, 11, 9, 6, 4 yrs.	17 0 0	24-11-53
6. Shenton Park	1	1	....	16 yrs.	19 4 0	3-9-53
7. Osborne Park	4	1	3	12, 10, 7, 5 yrs.	14 10 0	22-2-52
8. Fremantle	3	1	2	15, 13, 8 yrs.	16 14 0	7-5-54
9. Fremantle	1	1	....	23 yrs.	9 10 0	8-4-54
10. Coogee Beach	2	2	....	6, 4 yrs.	14 0 0	4-8-53
11. Leederville	3	....	3	11, 7 yrs., 9 mths.	13 0 0	11-12-51
12. North Perth	3	3	....	20, 18, 15 yrs.	19 13 0	23-10-51
13. South Fremantle	6	2	4	16, 14, 9, 7, 3 yrs., and 3 mths.	19 2 0	5-3-54
14. Mt. Hawthorn	2	1	1	7, 6 yrs.	17 16 0	2-9-48
15. Fremantle	1	1	....	10 yrs.	18 18 0	24-2-54
16. Victoria Park	5	3	2	17, 15, 13, 10, 6 yrs.	23 13 6	13-1-54
17. Bassendean	5	2	3	11, 9, 6, 4, 2 yrs.	13 0 0	8-3-54
18. South Belmont	3	1	2	21, 12, 11 yrs.	25 0 0	26-5-52
19. Guildford	2	....	2	12, 8 yrs.	15 0 0	6-5-54
20. Midland Junction	11	4	7	24, 19, 17, 15, 14, 12, 9, 8, 6, 3, 3 yrs.	46 12 0	30-6-52
21. Beaconsfield	6	4	2	18, 16, 7, 4, 4, 1½ yrs.	20 15 0	5-2-53
22. North Fremantle	2	1	1	3½, 2 yrs.	18 0 0	1-2-52
23. Beaconsfield	4	1	3	21, 18, 17, 13 yrs.	33 10 0	15-9-44
24. Fremantle	3	3	....	23, 20, 8 yrs.	16 5 0(?)	10-5-54
25. Mt. Hawthorn....	4	1	3	11, 10, 4 yrs., 2 mths.	15 10 0	6-5-54

(b) As to Appointment of Chairman.

Mr. WILD (without notice) asked the Minister for Housing:

From the statement that appeared in this morning's issue of "The West Australian", it appears that Mr. Clare is still the acting chairman of the State Housing Commission. As it is some time since Mr. Brownlie retired, will the Minister now tell the House when the appointment of a new chairman is likely to be made?

The MINISTER replied:

Certain steps have already been taken and it will be necessary for papers to be passed through the Executive Council. Shortly after that, an announcement will be made.

BILL—POLICE ACT AMENDMENT

Read a third time and transmitted to the Council.

BILL—INQUIRY AGENTS LICENSING.

Report of Committee adopted.

BILL—COMPANIES ACT AMENDMENT.

Second Reading.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Eyre) [4.40] in moving the second reading said: Members say I have a habit of introducing small Bills. This is a very little measure, so it will not take long to submit it. The Bill envisages only one amendment to the Companies Act, but it is one that will benefit company administration. It follows the English Act of 1948 and a similar amendment was made recently to the Victorian Companies Act.

The concession concerned deals with the numbering of shares. The requirement that shares shall have distinguishing numbers is, I think, dictated primarily by the need to preserve the identity of the shares as they pass from one holder to another. Particularly is this true where shares are but partly paid up and a liability to contribute the unpaid balance to the company or its liquidator passes to the new holder.

Where all the issued shares of the company or all the issued shares of a particular class are fully paid, the need to preserve the identity of individual shares has ended and distinguishing numbers for such shares can be fairly dispensed with.

The proposed amendment will prejudice the interests of no one and will greatly facilitate the work of persons who are concerned with the registration of share transfers and the issue of share certificates to new holders. As I have said, the Bill will contribute greatly to the administration of companies and it will not harm anybody. It will ease to a great extent the work that has to be carried out. If the shares are fully paid, there is no need for a distinguishing mark. I move—

That the Bill be now read a second time.

On motion by Mr. Court, debate adjourned.

BILL—CRIMINAL CODE AMENDMENT.

Second Reading.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Eyre) [4.45] in moving the second reading said: This measure is brought down to amend the Criminal Code with a view to adjusting and correcting anomalies. The idea is to get the Criminal Code into fair order for reprinting; it has not been reprinted since, I think, about 1914. There are a considerable number of amendments and these will help to bring the Criminal Code up to date and put it in a more correct form. Certain recommendations have been made to me by the law officers for amendments to the Code. When I have explained the purpose of the amendments I think members will agree that something should be done along the lines indicated.

The first amendment with which I shall deal relates to the section in the Code that defines stealing and which declares that a person who fraudulently converts to his own use, or to the use of any other person, anything capable of being stolen is said to steal that thing. I draw attention to the words "capable of being stolen." This provision needs clarifying and it is proposed to achieve that end by extending the definition of "fraudulent conversion" in order to make it an offence for a person fraudulently to convert any property, irrespective of whether that property is capable of being stolen or not.

By way of illustrating the point, I would cite the case of, say, a land agent, who might receive a cheque from his client, or on behalf of his client, for the purpose of completing a deal in land, and he might convert the proceeds of the cheque to his own use. The agent quite lawfully receives the cheque and rightly pays it into his own trust bank account for collection, but, at a later stage, draws cheques against

the account and pays such cheques to unauthorised purposes. Thus, it could be said that a credit in a bank account has been stolen.

The Code more particularly refers to movable objects and it is in such a case as I have just quoted that there seems to be a doubt as to whether the agent could be said to have converted "a thing capable of being stolen." The remedy lies in the provision of a wider description of the forms of property which can be fraudulently converted, and this will include any type of real and personal property, money, debts, bank credits, legacies, deeds relating to the title or right to any property, and so on. In England, fraudulent conversion of property is dealt with in the Larceny Act of 1916 and the definition of "Property" in that Act has been followed in the Bill now before the House.

Another matter which calls for adjustment is the section in the Code that concerns the receiving of stolen property. This section is not wide enough to include a person who knowingly receives the proceeds of a theft; it makes it an offence only when a person knowingly receives the actual article that has been stolen. In support of this amendment I would mention the case of a person who stole a number of stamps and then converted them into money by selling them and, out of the money so received, handed a portion to another person who well knew that the bank notes he received were the proceeds of the theft.

I now come to the particular section in the Code which deals with the giving of a false statement in connection with the registration of a birth. As the section now stands, such cases must go to trial before a judge and jury. Many such offences are of a social rather than a criminal nature and do not warrant the severe punishment inflicted by the present law. No doubt there may be instances where such a false statement is made deliberately and with intention to defraud somebody of something valuable. In such a case it would no doubt be appropriate to prosecute on indictment before a jury.

It appears to be true, however, that many of the cases of false statement are of a trivial nature intended purely to protect the reputation of the offender and in no way to defraud any person. Therefore, the amendment is designed to permit of an offender being dealt with summarily if he so elects and the magistrate deems the offence trivial or, in the circumstances of the case, the offender can be adequately punished on summary conviction. The more serious cases can still be dealt with by a judge and jury. In any event, the offender always has the right to go before a judge and jury. The present Minister for Police and his predecessor in office have expressed themselves in favour of such an amendment.

The next amendment is designed to validate the procedure which has always been followed after the presentation of an *ex officio* indictment in certain circumstances. I might first say something about these indictments, and the distinction between them and ordinary indictments. An accused person is brought to trial before a jury by the presentation of an information or charge called an indictment. This is signed by the Minister who, in practice, is always advised by the law officers before he signs. Where an accused person has been committed for trial by justices or by a coroner for a certain offence, and he is to be tried for that offence, the Minister presents what is called an indictment. This is the ordinary indictment. There is no legal difficulty concerning procedure in such a case. In due course a jury is empanelled and the trial takes place.

It frequently happens, however, that an accused person is indicted for an offence other than that for which he is committed for trial. Sometimes he is indicted when there has been no committal for trial at all—for example, where a coroner has returned an open verdict but the Crown considers that there should be a trial for some offence disclosed by the evidence taken before the coroner. More frequently it is found, on a close study of the evidence taken before the lower court, that it is more appropriate to present an indictment for some offence disclosed by the evidence other than that for which the accused person has, in fact, been committed for trial. The reason for this may be that there was a defect in the original charge against the accused, or the evidence actually given in the committal proceedings might differ somewhat from what the police had been led to expect. The indictment presented in such a case is usually called an "*ex officio* indictment."

There is some doubt, however, from a reading of the first and fourth paragraphs of the relevant section in the Code whether the expression "*ex officio* indictment" includes an indictment which, although not for the offence in respect of which a person has been committed for trial, is nevertheless for an offence disclosed by the evidence taken before the committing justices or coroner. If the expression is so included, then it is required that the rather elaborate procedure prescribed by another portion of the Code shall be followed. That procedure is primarily intended for private prosecutions—that is, prosecutions not taken by the Crown. It is also appropriate when the Crown prosecutes for an offence not disclosed by the evidence taken before the committing justices or coroner.

It is not appropriate, however, and has never been followed where the Crown prosecutes for an offence which is disclosed by such evidence. The past practice in such cases has been for the trial to take

place in all respects as if the accused person had, in fact, been committed for trial for the offence specified in the indictment. This practice causes no injustice to the accused person and has never been challenged. He knows the evidence which will be given on his trial for the offence, whether or not he has been committed for trial for that offence or for some other. No useful purpose would be served in such a case by following the elaborate procedure prescribed by the portion of the Code to which I referred earlier. However, this practice may be wrong; and, to put it on sure grounds, the amendment seeks to validate it.

Another amendment is to enable the one indictment to include several distinct separate counts of offences which form or are a part of a series of offences of the same or similar character. Frequently a person is separately indicted for a number of offences of the same character; but, as soon as the offender has pleaded guilty to or been found guilty of one of such offences, notices of *nolle prosequi* are usually entered in respect of the remaining indictments to avoid unnecessary expense and trouble to witnesses and the court. The result is that the offender's record only discloses one offence.

Although at first sight it may seem that an accused person may be prejudiced by being charged with several offences at the same time, nevertheless he would not, in fact, be so prejudiced before a particular jury; because, even under the existing law, once evidence has been given against an accused person of one offence, evidence of offences of the same or a similar character may be given where they show the existence on the occasion in question of any intention, knowledge, good or bad faith, malice or other state of mind, or of any state of body or bodily feeling, the existence of which is an issue or is relevant to the issue, or if it tends to rebut a defence otherwise open to the accused. This power of joinder, with safeguards, exists in the United Kingdom and in all other Australian States.

A further amendment allows a charge of receiving to be joined to a charge of breaking and entering. At present a charge of receiving can only be added to a charge of stealing. It is found that, in practice, it is necessary to have this additional power; and, in England, it is apparently usual and proper to add a count for receiving to a charge of breaking and entering with intent to commit a crime. This amendment, therefore, is based on English practice.

As a result of an amendment to the Supreme Court rules some months ago it has been found that two sections in the Code are now defective, and it is desired to bring them into line with the rules. The sections are defective in that they refer to an "appearance" as entered to a

writ in civil action; whereas, about 18 months ago, the rules of the Supreme Court were altered to abolish appearance to a writ in a civil action. Under the present practice in civil actions, there is only a "defence" to such an action. It is proposed to make a similar amendment to another section which states that "the accused person is required to enter an appearance and file his plea in writing"

The only value of entering an appearance in addition to filing a plea was to disclose the accused person's address for service of documents. The amendment is designed to delete the words "enter an appearance" and substitute a provision to the effect that a plea in writing shall contain an address for service of notices, etc. These amendments are purely procedural and the Judges have expressed their approval of the principle.

As I have said, the purpose of bringing down this Bill is to amend the Code; but it is the intention of the department, subject to the approval of the Minister, to have the Code reprinted. We thought that, before doing that, we would bring the Code up to date as far as possible, so that we would not have a measure full of amendments. As my predecessor would point out, quite a number of amendments that are passed are not always accounted for; and that causes a good deal of trouble and work. Legal practitioners will find a consolidated Code of great assistance. I move—

That the Bill be now read a second time.

On motion by Mr. Hutchinson, debate adjourned.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Message.

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

Second Reading.

THE MINISTER FOR LABOUR (Hon. W. Hegney—Mt. Hawthorn) [5.2] in moving the second reading said: This is not the first occasion on which such a measure has been submitted for the consideration of the House. Unfortunately, on the two previous occasions, whilst the amendment was passed in this Chamber, it was defeated in another place. There is nothing like being consistent and persistent, and the Government hopes that on the third occasion the Bill now before us will receive the assent which is necessary for it to become law.

An examination of the Bill reveals that its object is to make it obligatory on the Arbitration Court to apply the adjustments in money terms from quarter to quarter as

indicated from the variation in the price index figures submitted by the Government Statistician. As the Act now stands, it is in order for the court to use its discretion as to whether such adjustments, upwards or downwards, shall apply; in any case, the Arbitration Court can only have regard to the change in what are generally termed the cost of living index figures for the previous quarter. The Bill provides that the court shall not only be obliged to apply the adjustment, but shall have regard to the figures of the then preceding quarter, and all other preceding quarters to which it has not already had regard.

For the benefit of those who may not understand the full purport of the amendment, I may say that approximately at the end of September, 1953, the court decided, in its discretion, that it would not then apply to the basic wage the relative increase of 4s. 1d. per week as shown by the figures supplied by the Government Statistician. At the end of the fourth quarter in 1953 there was a reduction of 1s. 6d., so that there was a net loss of 2s. 7d. per week to all workers in this State, who work under industrial awards or determinations. The court, at the end of the first quarter in 1954, had before it figures from the statistician which indicated an upward trend of 3s. 8d., making a net increase of 6s. 3d. per week.

Of course, the court again decided, in its discretion, that it would not apply the increase of 3s. 8d. It will be seen, therefore, that the wage and salary-earners of Western Australia who come within the jurisdiction of the State Arbitration Court have been suffering a loss for quite a period now—getting on for 12 months. When it is remembered how the system of arbitration operates, it is considered that the provisions of a particular section should be applied automatically by our State arbitration tribunal. We have the figures today which show that the appropriate increase would be 13s. 8d. per week, making a net increase of approximately £1 in the basic wage, compared with what it actually is. In other words, the basic wage now—and it has been since July, 1953—is £12 6s. 6d. in the metropolitan area, whereas, had the adjustments, as indicated by the statistician's figures, been applied from quarter to quarter, there would have been an amount of 19s. 11d. per week added to the figure of £12 6s. 6d.

Incidentally, the statistician obtains the figures from traders and land agents on a quarterly basis, and the figures are computed and duly resolved into terms of shillings and pence. I have said here before that it was a Liberal-Country Party Government which, some 24 years ago, when the price index was falling and the basic wage was £4 6s. a week, introduced the amendment to the Act with which we are now dealing. That amendment provided for quarterly adjustments in lieu of annual adjustments and, in March, 1931,

the court took the amendment into account for the first time when, after receiving the figures from the Government Statistician, it reduced the basic wage by 8s. per week.

Ever since then, with the exception, I think, of an occasion in 1942, when the late President Dwyer was on the bench, and there was rationing and price control, the State Arbitration Court has always applied the quarterly adjustments. It is logical to assume that if wages, or the adjustments of wages, are regulated in accordance with the Government Statistician's figures, and the appropriate tribunal declines, in its discretion, to apply the adjustments, then the working people of the State, if the adjustment is upwards, are in some way having their standards reduced, and, on the other hand, if the adjustment is downward, then they are receiving a comparatively higher standard.

The 13s. 8d., which is the appropriate figure for the last quarter, has come about in a large measure because of the increase in rents; and I think I am right in saying that the full impact of the increase in rents over the last few months has not yet been felt, but that it will be more vividly reflected in the next quarterly figures. Parliament, if it is going to encourage and foster the spirit of industrial arbitration in this State, and if it intends to allow the court to use its discretion in regard to altering the basic wage in accordance with the index figures, must accept the responsibility of seeing that there is some form of control over prices and rents, which are ingredients of which the basic wage is composed.

Mr. Ackland: Will you tell us—

The MINISTER FOR LABOUR: I will deal with the Bill, and then I shall be happy to deal with the hon. member either in Committee—

Mr. Ackland: Can you tell us the percentage of wage-earners who have had this increase in rents?

The MINISTER FOR LABOUR: I cannot tell the hon. member that offhand, but I can say this, that while we have the principle of arbitration, and while the basic wage is computed as it is, an approach can be made to the court for a general inquiry. Such an inquiry was held some time ago; and, indeed, an inquiry of this sort can be held when either party—the Employers' Federation or the State executive of the Labour Party, or at the option of the court itself—requests it. There is a certain accepted approach to the declaration of the basic wage, and rent is a factor in the basic wage. It is true that many people do not pay rent because they own their own homes, or are in the process of owning them. But those people are under the obligation of having to pay rates and taxes, as well as interest on borrowed money. The basic wage is computed on the basis of a man, wife and two children, but it

cannot be said that every worker in Western Australia—and we are subject to basic wage adjustments here—

Mr. Ackland: I did not think we were. I thought we gave ourselves something.

The MINISTER FOR LABOUR: The point is that not all workers in Western Australia have a wife and two children dependent on them, but the court has to strike an average, and that is the reason why rent is a factor in the cost of living, and a component of the basic wage. Separate figures are supplied by the statistician to the court with respect to average rents. This is the principle of the Bill, and it is felt that, whether it passes or not, there is an obligation on Parliament to give consideration to a measure dealing with price control for the purpose of trying to stabilise in some way our basic wage.

"Hansard" contains many pages of argument on this subject, but I am not dealing with price control now. Suffice it to say that if price control and rent control were removed, it has been held that prices would reach their ordinary level. It has also been said that prices were chasing wages. That is the argument that has been advanced by members of the Opposition and those whom they represent. Let us examine it. There has been no increase in wages for the last 12 months. The basic wage is the same today as it was at this time last year. Competent officers have obtained information which reveals that for the period of 12 months there has been an increase in the cost of living of approximately £1 per week, but wages have remained stationary, so I think that effectively disposes of the argument that prices are continually chasing wages.

Hon. Sir Ross McLarty: What does the Minister estimate that the annual cost of the extra £1, if granted, would be to the Government?

The MINISTER FOR LABOUR: That is difficult to determine, because it so happens that the metropolitan basic wage is now far higher than the goldfields basic wage for the first time in the industrial history of Western Australia. There has been an increase of 4s. 4d. per week, I believe, in the South-West and 1s. 2d. per week in the Goldfields area. Many Government workers are outside the metropolitan area but I think a rise in the basic wage of £1 per week would cost the Government over £1,000,000 per year. The increase of 13s. 8d. in the metropolitan area would represent a figure of about £650,000, I presume. Those are approximate figures only. The workers of this country are subject to industrial awards and agreements and I believe their standard should be regulated by quarterly adjustments in the basic wage.

These are not figures submitted by me or any member opposite. They were submitted after due inquiry by competent

officers who had before them all the relevant facts. I believe it is the responsibility of Parliament to give the court a direction that when the figures show a trend either upwards or downwards in the basic wage, the variation should be applied automatically. In view of what I have previously said, I do not think there is necessity for me to amplify the provisions of the Bill further at this stage and I therefore move—

That the Bill be now read a second time.

On motion by Hon. A. V. R. Abbott, debate adjourned.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Second Reading.

Debate resumed from the 22nd July.

MR. MOIR (Boulder) [5.17]: I listened with considerable interest the other night to the remarks of the member for Mt. Lawley when speaking to the debate on this measure and I could not help recalling that down the years we have always had with us people like him who have opposed progress because of the unsound ideas they held.

If we examine the history of the State Insurance Office we find that there was considerable opposition to its coming into being in the first place and that for many years it carried on without the sanction of an Act of Parliament, until the time came when it was agreed by Parliament that the activities of that organisation should be legalised. During that period the State Insurance Office performed a very valuable function, and there I refer to the insurance of mine workers.

We all know that the private insurance companies would not accept the risks involved in insuring mine workers and it was largely as the result of that state of affairs that the State Insurance Office came into being. Eventually the stage was reached, some years ago, when by amendments made to the legislation, the State Insurance Office was given a monopoly of that form of insurance because it was realised that it would not be right for the Government undertaking to have to accept the risks of the more dangerous operations of mining if the mining companies were to be allowed to insure at cheaper rates with other companies that would agree to cover for them the less dangerous portions of their operations.

I cannot understand why there should be any opposition to the measure now before us unless it is based on false beliefs. After listening to the member for Mt. Lawley the other evening, I am sure

that much of his objection to the measure is based on false beliefs. During the course of his speech he said—

The only reason is that I believe in the policy in which we on this side of the House have absolute faith, namely, to foster and encourage individual initiative and private enterprise and to oppose socialisation of production, industry and exchange.

I do not propose to go generally into the merits of the two systems; they are poles apart and are being argued in all forms everywhere in the world today. But private enterprise, where there is human incentive to do things, is definitely better than the penal system of socialism with its imprisonment, and the use of forceful rules.

What a lot of balderdash that is! Just a lot of tripe. I have no doubt that that sort of thing tickles the ears of some of the hon. member's electors who patronise the Weld Club and other such institutions. Whatever "forceful rules" may mean, of course when we have rules we enforce them. We have rules for the conduct of this Chamber and they are enforced.

Hon. A. V. R. Abbott: That is the sort of treatment that is used in Russia.

Mr. MOIR: I suppose the hon. member and his friends may think it frightening, but I doubt that very much because I do not think even they would fall for that sort of thing.

The Premier: I think the member for Mt. Lawley looks under his bed every night before he gets into it.

Mr. MOIR: To infer that we, on this side of the House, believe in a system that can thrive only on imprisonment and a penal system of socialism, with its imprisonment and use of force is ridiculous.

Hon. A. V. R. Abbott: Is not communism a form of socialism?

The Minister for Labour: Ask the member for Cottesloe.

Mr. MOIR: I do not propose to enter into a debate on that sort of topic, and I do not think it would be much use my doing so because I am sure that the peculiar ideas of the member for Mt. Lawley are such that I would not be able to enlighten him to any great extent. I object, however, to anybody voicing such views here and saying that we on this side of the House believe in a system of that kind. I do not think the hon. member for one moment believes that himself, but I think he likes to say funny things at times.

Hon. A. V. R. Abbott: I think socialism can lead to communism.

The Premier: What could capitalism lead to?

Hon. A. V. R. Abbott: It is the only system that has ever worked efficiently.

The Premier: It has certainly led to wars and to depressions.

Mr. MOIR: If the member for Mt. Lawley will allow me to continue, I will pass on to another erroneous remark that he made in reference to me. He said—

Now the member for Boulder would be very interested in this, because he may care to point out to me if he goes back into the debates that in one respect an assertion I made to the House was wrong.

There would be nothing new about that. To continue—

It was during the first session of this Parliament on a similar Bill. He asserted that the State Insurance Office had built up such a huge fund in connection with mining diseases that the rates charged by it were not reasonable.

I say here and now that that was entirely wrong. I say it emphatically, because I would not be so stupid as to say a thing like that. I believe that either the hon. member's memory was not serving him well or else he was trying to place a different meaning on something that I did say.

At all events, I took his advice and looked back through the debates and I found that the only time I referred to this fund was during a debate last year, as reported in Vol. 2, page 1327 of "Hansard." There I was dealing with the amount of money that was held in a special fund—the silicosis fund—at the State Insurance Office, and I was answering an argument put forward by the hon. member that the increase proposed at that time would cost the mining industry some £250,000 extra per year. After quoting what was in the fund and pointing out that the increase proposed in the Bill would have very little effect on the fund, I stated that the benefits could be given readily, without interfering with the fund—

Hon. A. V. R. Abbott: Because the fund was so large.

Mr. MOIR: The hon. member stated that I said that the rates charged by the State Insurance Office were not reasonable, but, in fact, I said nothing of the sort. What I did say was this—

The hon. member has told the Committee how the worker will contribute to the increased premiums, but this huge saving of nearly £500,000 between 1951 and 1952 was not passed on to the workers. The chairman continued and said that it was the expressed opinion of the insurer members of the Premium Rates Committee that this reduction was sufficient, but that it was the opinion of the Auditor General, the A.L.P. representative, Mr. Hodgson, and himself, that a somewhat more substantial reduction was warranted. So even then

he thought that a further reduction could have taken place and that the insurance companies could still have met their commitments at that time. I am informed that since then there has been a further reduction, amounting in some cases to 45 per cent. If the added benefits now proposed become law and premiums have to be increased slightly, they will still not get back to what they were in 1951.

There is no mention there or elsewhere in my speech of the charges being unreasonable and I desire to correct the hon. member in that respect. He also made references to the charges made by the State Insurance Office and tried to prove that they were far higher than those of private companies.

Hon. A. V. R. Abbott: No, I did not.

Mr. MOIR: The hon. member said they were higher than they should be. He made a comparison with Queensland and some other States and referred to the excess profits made.

Hon. A. V. R. Abbott: I said the Government took an excess profit, out of the Government agency.

Mr. MOIR: The hon. member said—

I have been reading the Auditor General's report which I have found very interesting. For the year 1952-53, the State office had a surplus on outside insurance business—workers' compensation insurance business, for which there was competition and in which the Premium Rates Committee had a say—of only £508.

But what was its surplus where there was no competition and the office could fix its own rates—for Government insurance? The office made a surplus of £60,315. What a difference where there was competition.

The Premier: I think the hon. member was Minister for State Insurance in that year, too.

Mr. MOIR: He continued—

On the larger side of the business, it made a profit of £508, and where it had a monopoly and fixed its own charges, it made a surplus of £60,315. That amount was drawn by the Treasury for Consolidated Revenue.

That is what the hon. member said. If the inference to be drawn from that statement is not that the State Insurance Office was imposing outrageous charges on the Government, I do not know what it is. I do not propose to go into that aspect, because no doubt the Minister will have the figures and will be able to give the member for Mt. Lawley a suitable reply. When we hear that response, the assertion by the member for Mt. Lawley will be cut to pieces.

The member for Mt. Lawley, and the speakers who from time to time have supported him, opposed any extension of the jurisdiction of the State Insurance Office. I can only come to the conclusion that when they speak of competition, free enterprise and the like, they do not want any competition from the State authority, irrespective of how beneficial it may be for people who desire to insure with it. Of course, the legislation dealing with the State Insurance Office provides that it has to make the same payments as a private insurance company would, except that the payments from the State Insurance Office go into Consolidated Revenue.

Hon. A. V. R. Abbott: Do you believe that the State Insurance Office should have the whole of the fire insurance business of the State?

The Premier: That is not in this Bill.

Hon. Sir Ross McLarty: But that is the ultimate objective.

Mr. MOIR: Why should I believe that?

Hon. A. V. R. Abbott: Because you have signed an undertaking to achieve that object.

Mr. MOIR: Where?

Hon. A. V. R. Abbott: It is in the Labour platform.

Mr. SPEAKER: Order! The hon. member is dealing with this Bill and not any other publication.

Mr. MOIR: The objections to the Bill are entirely unwarranted and it will benefit industry and insurers in all walks of life in this State if we ensure the extension of the State Insurance Office activities, because it has proved, in the sphere in which it has operated to date, that it can give wonderful service. It has also proved to be of great benefit to the people who have taken advantage of the services, rates and cover which it provides. Therefore, I support the Bill.

MR. HEARMAN (Blackwood) [5.35]: I am afraid I must oppose the Bill and the broader principle associated with it, namely, the extension of Government activities in any branch of trade. As long as private companies, which are fairly strictly controlled and can be controlled even still further by legislation, are willing and able to perform an essential and useful service in the community, the State would be well advised to stick to its proper task of governing and should not dabble in trading.

It has been argued that the Bill does not completely implement the socialistic plank of the Government's party platform. I agree that it does not go as far as did the Bill introduced last year, but it is not sufficient to say that because the Government has a plank in its platform, it is entirely justified, on that ground alone, in bringing down legislation that tends to

implicate the Government more and more in trading activities. The mere fact that life assurance is excluded from the Bill does not make it any more desirable.

What it does prove is that before the Government can justify an extension of its trading activities, an assurance should be given that the private companies cannot give a satisfactory service and the State can give a better one.

There seems to be a dispute between the member for Boulder, the member for Mt. Lawley and the member for Leederville on the meaning of socialism and nationalism. In Webster's new International Dictionary, "Socialism" is described as follows:—

A political and economic theory of social reorganisation, the essential feature of which is governmental control of economic activities, to the end that competition shall give way to co-operation and that the opportunities and the rewards of labour shall be equitably apportioned.

Hon. J. B. Sleeman: Do not you believe in that?

Mr. HEARMAN: I am merely quoting from the dictionary.

Hon. J. B. Sleeman: Do not you believe in that?

Mr. HEARMAN: I understand the implementation of a socialistic policy would be condoned by an act of nationalisation. The meaning of "nationalise" is defined as follows:—

To vest the control, ownership or the like of in the nation.

It also compares it with collectivism. The definition of "socialism" in Fowler's "Oxford Dictionary" reads—

A principle that individual liberty should be completely subordinated to the interests of the community with the deductions that can be drawn from it, e.g., the State ownership of land and capital.

In the same dictionary, "nationalise" is defined as being to "convert into national property." That is, the complete nationalisation of land, railways, etc. I think it is fairly clear that socialism actually means Government ownership. The members on this side of the House, as a party, do not believe in it. We believe in private ownership.

Hon. J. B. Sleeman: Both the parties over there?

Mr. HEARMAN: I cannot speak for any party but my own, in the same way as the hon. member can speak only for his party.

Hon. J. B. Sleeman: There are two parties over there. The other evening the member for Moore said that he believed in State shipping.

Mr. HEARMAN: On that ground alone, one could not properly describe the member for Moore as being a socialist. He might join issue with the hon. member on that question and make the same suggestions as the member for Boulder made regarding the member for Mt. Lawley. I think the Bill is a step towards nationalisation. I do not believe in a policy of nationalisation, and I understand the British Labour Party does not now adhere to that policy. The Labour Party must have given up its support of the policy of socialism because it says, in effect, "We have a socialistic policy, but we are not prepared to implement it."

Once we enter into State ownership, we get into all sorts of complications which are entirely absent from any activities governed by private ownership. Only last Saturday I attended a meeting of the South-West District Council of the Parents and Citizens' Association. At the meeting there was some discussion on the system of insurance for schoolchildren, which has recently been introduced. One speaker was very anxious to ensure that the benefits and the cover for the children were extended. He asked me my opinion. I said, "I do not care whether a State or a private insurance office is handling this matter. I think that whatever premium is determined, should be reasonable and proper. If you want any extension of cover, you must be prepared to pay extra premiums."

The gentleman concerned replied, "Oh no, that is not right. This is a State Office and it should be prepared to do more for the people who live in the bush" and so on. I have every sympathy for people who live in the outback, but I do not think that any improper or unbusinesslike arrangement should be entered into on the question of insurance, whether it concerns premiums or anything else. It should be Government policy to help people who live in the outlying centres, but the State should not be asked to foot the Bill.

The Minister for Housing: You ask the Railway Department to do that.

Mr. HEARMAN: What does the Minister mean by that?

The Minister for Housing: You were complaining about the increase in freights.

Mr. HEARMAN: As a matter of fact, the Minister does not know what he is talking about because if he cares to read from "Hansard" the speech made by the Minister last session, he will find that the Minister concerned said that I was one of the people who did not complain.

Hon. J. B. Sleeman: Who is right?

Mr. HEARMAN: Let the two Ministers work it out by referring to "Hansard". I have complained about the service and its cost, and I have done a lot to improve it.

The Minister for Housing: Do you remember saying a lot of things about shocks, for instance?

Mr. SPEAKER: Order! That is entirely apart from this discussion.

Mr. HEARMAN: Thank you, Mr. Speaker! I was just going to say that I was not going to be sidetracked by the Minister for Housing. However, as the Minister has mentioned railways, I will take the opportunity of referring to them to illustrate my point. Too often sound business principles have to be disregarded in the railways because they are controlled as a State instrumentality. I could illustrate my point very well by quoting from the Act under which the Midland Railway Company works, and compare it with the Act which controls the State Government railways. That is one of the faults of a State socialistic organisation. Once it gets a monopoly it tends to disregard the requirements of the people and commences to consider its own interests.

I mentioned the case of the person who wanted increased coverage—without the payment of an increased premium—from the State Insurance Office because it is a State trading concern. I found out subsequently that this person was a prominent member of the A.L.P. So it goes to show that Labour supporters regard State trading concerns as something in the nature of a milk can. It does not make for efficiency in business.

Furthermore it has not been amply demonstrated that there is lack of competition amongst insurance companies. I know perfectly well there is competition. I know they have varying premiums, different cover rates and different benefits. I know that Lloyds, for instance, operates completely independent of any agreement with other companies. For the insurance of motorcars there is the R.A.C. Insurance Pty. Ltd. which has a different set-up from that of other companies. The mere fact that certain companies may have interlocking directorates and so on does not demonstrate that there is no competition.

In addition, no directorates of any insurance companies can be so interlocked as is a State-owned monopoly. I believe that if members of the Government are completely frank and honest they must admit that it is a State monopoly towards which they are striving, and that the Bill is a step in that direction. If members opposite believe in the principle of State ownership, why not say so? If they do not believe in such a principle, why are they supporting this Bill? They should make no apology for their action; they should not say that this Bill does not go so far as the Bill went last year. That argument is no recommendation to the acceptance of this Bill.

I feel that this legislation is redundant. There is no need for the extension of the State Insurance Office business to any of the fields proposed. I think the public is getting good service. It has a choice of companies. I would ask the Minister, when he replies to this debate, to say whether this is a step towards nationalisation, to say what further steps are contemplated, and to be frank about the matter, not try to slide this measure through and say that it is not an implementation of the socialistic policy. There is no harm if he thinks it is a step in the direction of nationalisation, in admitting it. Members on this side of the House oppose State ownership as a matter of policy just as members opposite subscribe to it. Personally, I do not hesitate in stating where I stand on this matter, so let there be no apologies from members opposite.

HON. D. BRAND (Greenough) [5.48]: Before a vote is taken on the second reading, I wish to say a few words in opposition to the measure. I am sorry that the Minister has seen fit to introduce the Bill again this year. I felt that after his last effort he would have been satisfied to let the State Insurance Office function as it is today, evidently quite profitably, too, because we see that in line with the steps taken by other insurance companies, it is proceeding with the erection of a grand building in St. George's Terrace.

Because the State Insurance Office is a State trading concern and on policy we are opposed to State trading concerns, I would have imagined that the Minister would not have sought further authority for the extension of its business. There is no public demand for the amendment suggested in this Bill. The people are quite satisfied with the service that they are receiving under the existing state of affairs.

The Minister for Housing: In which case they will not patronise the State Insurance Office.

Hon. D. BRAND: It may be claimed that they are satisfied and well catered for because there is a State concern operating in competition with private enterprise. I am certain that opposition is not centred against the existing Administration, the manager himself or the State Insurance Office as it is, but we are definitely opposed to the proposed extension of its business. We believe that such moves as are contemplated by the Government will lead ultimately to a monopoly of the worst kind, a monopoly of State trading concerns. I arrive at that conclusion because I have glanced through the platforms of the State Labour Party and the Federal Labour Party.

The Minister for Labour: You yourselves gave the State Insurance Office a monopoly.

Hon. D. BRAND: I shall not be side-tracked. That was the existing state of affairs. We now oppose the Bill on the grounds that it will extend the authority of the State Insurance Office and intrude further into private industry. We feel it will serve no purpose whatever, except ultimately to create a State monopoly.

The member for Boulder referred to certain phraseology used by the member for Mt. Lawley. He referred to parts of the speech as ear-tickling. I have heard lots of ear-tickling remarks from the other side, and in a really de luxe form. The phraseology which emanated from members on the other side in respect of private enterprise and of workers, conditions, the uplifting of the masses, etc., was certainly ear-tickling, but achieved no purpose at all.

Mr. Moir: It would be more interesting if you did something about it.

Hon. D. BRAND: I challenge the member for Boulder in that regard and affirm unhesitatingly that this side of the House represents the workers and their interests just as well and just as forcibly as members from the other side. I might say this: The Bill before us to amend the State Government Insurance Office Act will not improve conditions of the workers or of anybody else. The hundreds of employees of private insurance concerns are quite happy under their conditions.

For my part, I would say that the bulk of the staffs employed in private insurance companies are opposed to this measure because they see that ultimately their conditions of employment will be interfered with if the State is continually to intrude and create a monopoly which will mean a transfer of staff from private to State concerns. It has been said during this debate that there is an understanding between companies and there are interlocking directorates in the big companies.

With the member for Blackwood I agree that there is competition among the companies. Certainly major companies do control minor organisations. For the information of the House, I wish to read from a list in my possession of the companies that are under the control of the Atlas Insurance Co., which is a very large concern. They are the Manchester, the Pacific, the Provincial and the Triton Cos. Then there is a group very much opposed to the Caledonian Insurance Co. which controls the Insurance Corporation of Ireland. It is made up of the Commercial Union, the Australian Union, the Ocean, the British and Foreign, and Edinburgh Insurance Cos. They certainly are a very strong block, but each is opposed to the other, and I am certain they are keen competitors for the business offering.

Mr. May: And all doing very nicely out of it.

Hon. D. BRAND: They are doing very nicely indeed. I am hopeful that this industry will be permitted to prosper because I believe it is the wish of all members of this House to see that this vast industry as represented here by the insurance companies, does nothing else but prosper. It is not only in the interests of the employers, but in the interests of the hundreds of employees, that the industry should continue to prosper. When introducing a similar measure last year the Minister included life assurance. On the present occasion, for some reason or other, this class of insurance has been omitted. During this debate the Minister referred to consistency. I am wondering why, in such a short space of time, he has decided to exclude life assurance.

The Minister for Labour: Trying to meet your objections of last year.

Hon. D. BRAND: Personally, I am very pleased to hear the Minister acknowledging that it was as a result of objections that he has omitted life assurance. I hope on this occasion he will be as tolerant, as amenable and as understanding of any objections that may be raised in this House in the course of the debate on the Bill.

I would like to quote from the speech of the Minister when he introduced a similar Bill in the first session of this Parliament. He said, although he did not mean it in the form of a threat, that in the event of a Labour Government being returned to the Federal Treasury bench it would set up a life assurance business as well as a general insurance business. He suggested that we should prefer the devil we know than one we did not—that is we should accept a State Insurance Office rather than a Federal insurance concern. I can only conclude that it is the intention of the Government, once some progress is made under this measure, to come back some day to the House with an amendment to include life assurance business under the State Government Insurance Office Act.

The Minister for Health: Why not?

Hon. Sir Ross McLarty: Why do you want life assurance? You will not insure with the State Insurance Office.

Hon. D. BRAND: The Minister asked why not? I ask why?

The Minister for Health: To get fair competition.

Hon. D. BRAND: As long as it is fair competition, it may be all right. What assurance have we that a State concern will be fair, perhaps not under the administration of the present Government or of many Governments to come, but under some future regime? What assurance have we that it will not ultimately, having used State funds, become an unfair competitor, of not only ordinary insurance

companies, but life assurance companies as well, and push them out of business by such competition?

The Minister for Health: You are not looking forward to the time when communism will take over this country.

Hon. D. BRAND: We are not. We are anxiously looking ahead to avoid any system such as that referred to by the Minister.

In conclusion I should like to say that at this time of rapid development, every effort should be made by the Government and others concerned to attract finance to this State. The Premier and the Minister for Labour know that money is available to meet the demands of and provide the services required for the people, but it will be only by the aid of private companies such as overseas concerns—the oil companies and such-like people for instance—that this country will be developed. Therefore we are anxious that no step shall be taken by the State Government or any other authority that will tend towards socialism. Then the companies with the money, the wherewithal and the “know-all” will be encouraged to invest here and assist in the development of the State. I am opposed to the second reading on principle because I believe that, under the existing state of affairs, private enterprise is doing all that is necessary and is servicing the people well in this direction.

MR. BRADY (Guildford-Midland) [6.11]: I did not intend to speak on the second reading, but because the Opposition appears to have overlooked some matters that are vital, I feel that I should mention them. I am taking a broader view and was surprised to hear members opposite, particularly Country Party members, opposing the measure at a time when they should be looking for something of this sort with a view to reducing the costs and overheads of primary producers.

In recent years, when considering imports and exports, there has been common talk that one of the charges that go to make up the cost of primary production is insurance, and Country Party members, perhaps more so than members of the Liberal Party, should be found among supporters of such a measure as this. Anything that we as a party or that the Government can do, to lessen the costs for primary producers, whether they be producing meat, cereals or minerals, or even for the manufacturer, should be encouraged.

Mr. Nalder: So you are really interested in the welfare of the primary producers!

Mr. BRADY: Commonsense and logic should convince the hon. member of that.

Hon. D. Brand: Why are you constantly shedding tears about the farmers?

Mr. BRADY: I am doing that at all times, and if members of the Country Party would fall in behind the Labour Party instead of behind the Liberal Party, the producers would fare much better. That is one thing the Country Party members have failed to do—they do not realise the help that they could get from the Labour Party and the rank and file of the trade unionists. In a few years' time there will be no Country Party because the Liberal Party is absorbing it. The Country Party is constantly changing its name, going from Country Party to Country and Democratic League, and so on. I believe that ultimately its members will see the light and realise that their salvation lies in throwing in their lot with the Labour Party.

Let me now refer to one of the arguments advanced by the member for Mt. Lawley. He told us that approximately 56 to 60 insurance companies are operating in this State. Just imagine what would happen if there were fewer and the cost of administration were reduced! If the wages and salaries of each office amounted to £3,000 a year, that would represent £180,000 a year for those items alone. But they do not represent all the expenses. The companies have their offices, cars, branches and agencies to maintain.

Hon. D. Brand: And they pay taxation.

Mr. BRADY: Yes, as well as other charges. If the Government lost the taxation revenue from one source, it would have to be obtained from another. However, it is logical to say that, if the 60 offices were reduced to three or four, the costs must be reduced and the premium rates also could be reduced. I believe that if members of the Country Party viewed the position in the proper light, they would support the Bill and give the Government a chance to help them. The screw is being felt by the industry now, and when it goes on a little harder, primary producers will be looking to the Government for some consideration to enable them to reduce their costs.

It is evident that the export industries are finding costs reaching such a height that they are unable to meet overseas competition. Hence I repeat that if Country Party members would see the light, they would do themselves quite a lot of good. What is the position that prevails today? All the insurance companies have inspectors running around the country incurring expense that could be eliminated. If four or five companies carried on the business now done by 60, costs would be brought down with benefit to the producers, because the saving could be passed on to them or the premium rates could be reduced.

To pin-point the position and bring it home to those who are opposing this measure, they support a co-operative insurance concern because they appreciate

the benefit of such an organisation, and yet that is very little removed from the State Government Insurance Office. To that extent they do in practice support the very thing they are opposing here, but they are opposing it because the Labour Party has introduced it. It was only because of the oversight on the part of the Opposition speakers that I have mentioned these things.

There is another angle that ought to be considered. The member for Mt. Lawley rightly pointed out that, in the main, only one or two of the insurance companies are actually registered in Western Australia. Where are the others registered? In the Eastern States or overseas—the more wealthy ones overseas. I would not mind so much if these companies, when they make their profits, which, according to the balance-sheets, are very substantial, reinvested them in the State where they earned them.

Hon. D. Brand: They subscribe to the Commonwealth loans.

Mr. BRADY: The profit from the State Government Office would be reinvested in the State. The companies do not reinvest it here, but employ it in countries where there is cheap labour—the Argentine and other countries—where they can obtain bigger returns from their investments.

Hon. Sir Ross McLarty: Not at all.

Mr. BRADY: Then those countries with cheap labour compete with our primary producers in the overseas markets. The directors and shareholders of the insurance companies do not worry about the primary producers of Western Australia; they are concerned about the dividends they are making for themselves. If members of the Country Party examined the position closely, they would find that, in the long run, it would pay them to confine their insurance business to two offices, that of the State Government or that of the primary producers' co-operative concern.

Then when the big squeeze came and they were looking for assistance, they would be able to obtain it from those sources. But no; they support insurance companies in the Eastern States and overseas that invest their money in enterprises that will give them the greatest return, and they are not primary-producing enterprises. I thought it only right to offer a few words on the Bill in order to show that there is merit in the measure and that Country Party members would be well-advised in their own interests to support it.

One could proceed to deal with the statement that the staffs of insurance companies are happy in their employment. I believe that if the conditions were analysed, members opposite would find that the staff changes in insurance offices

in the metropolitan area are amongst the largest that occur. These employees are not happily placed, as we have been led to believe because, like most other workers, they are seeking increases in wages and salaries and are finding that the Arbitration Court has pegged the basic wage and margins. So I repeat that the staffs of insurance companies are not happy in their employment, notwithstanding the statement that they are.

It is quite evident that if the number of insurance offices were reduced and each office had a greater turnover or were writing a greater number of policies, the companies would be in a position to do their staffs greater justice than they are doing now. Therefore it would be in the interests of the primary producers to have fewer offices so that the staffs might receive a semblance of justice and the insured reduced premiums.

I could go on to deal with those concerns that are exporting commodities overseas. The companies have something like 30 or 40 proposal forms under the counter or in the safe and three or four are sent to the one address. As a result of carrying out the little job of writing a small proposal, these people receive a commission—a commission I repeat, for doing only a nominal job. All this expense is added to the cost of production and has to come out of the pocket of the primary producer. Thus, in the long run, the cost for insurance reaches a fairly high figure, and the primary producer is finding that he cannot compete on the overseas markets. I conclude by repeating that members of the Opposition, and particularly Country Party members, would be well advised to support the Bill and thus afford the Government an opportunity to reduce the costs of primary producers.

Mr. Yates: Are you advocating a reduction in the number of insurance companies?

Mr. BRADY: I support the second reading.

HON. A. F. WATTS (Stirling) [6.13]: In the earlier stages of this debate, I intended to adopt an attitude of non-belligerency or benevolent neutrality, but I think that the remarks indulged in by some speakers warrant my saying a few words. I do not know for what reason we are indebted to the member for Guildford-Midland for the diatribe in which he has indulged.

Hon. J. B. Sleeman: Diatribe?

Hon. A. F. WATTS: Well, for the long and boring dissertation to which he has given vent in his discussion of the measure. His remarks had no relevancy to the measure and less relevancy to the debate, because only one member on the Country Party benches has addressed himself to the Bill, and that was the member for

Toodyay. Having listened to the member for Guildford-Midland, I feel impelled to express my views, firstly on what he had to say, and secondly on the measure itself. *Sitting suspended from 6.15 to 7.30 p.m.*

Hon. A. F. WATTS: As near as I can gather from the somewhat rambling remarks of the member for Guildford-Midland, he was endeavouring to prove that the establishment of a further list of franchises for the State Insurance Office would help to reduce the cost of primary production. But at no time did he demonstrate to my satisfaction—and I am sure not to yours, Mr. Speaker—any method by which that was likely to be done. Of course dealing with State insurance, the only costs of primary production which could be affected in any way by this measure would be those that are borne by persons engaged in the industry in taking out the various forms of insurance in which they may care to indulge.

I suppose that chief among those is workers' compensation insurance, particularly in these days when farmers desire to employ rather more people than formerly and at very much higher wages than were payable in past years. That, of course, cannot be affected at all by this Bill, because the State Insurance Office has been equipped with authority to deal with workers' compensation and personal accident insurance for the past 17 years. The Premier, the Leader of the Opposition and I well remember the circumstances under which the State Insurance Office obtained the legal right to indulge in that form of insurance.

But in passing I might observe that I have not noticed any considerable reduction in premiums made by the State Insurance Office as a result of having had that authority for the last 17 years. I have not noticed any cessation of the cry that every increase in benefits payable to workers would impose a greater burden upon industry; at least, not until 1948, when the Workers' Compensation Board and the Premium Rates Committee were created. They have been responsible for enabling considerably increased benefits to be conferred upon workers at various times and at rather lesser rates of premium than were charged by either the State Insurance Office or any other organisation of that nature.

Mr. Brady: Except that workers' compensation is only one-tenth of an ordinary farmer's insurance.

Hon. A. F. WATTS: Will the hon. member allow me a little time to develop the theory I have in mind?

Mr. Brady: Why not give all instances, and not name only one section?

Hon. A. F. WATTS: I did not take the liberty of interrupting the hon. member when he was addressing the Chamber—

Hon. L. Thorn: When he was on the soapbox!

Hon. A. F. WATTS: —and perhaps he will allow me to develop my point of view for a little longer. As I was saying, it is interesting to note that it was the Government headed by the present Leader of the Opposition, and of which I was a member, that introduced the legislation which provided for the Premium Rates Committee; as it happened, I was the Minister who introduced the Bill in this Chamber. As far as I was concerned, it was done mainly to minimise, if not to prevent the belief that every time we increased the benefits that might be payable to injured persons, particularly in face of rising costs and the rise in rates of wages, we were increasing the burden upon industry. It has no doubt had some effect in that direction as statistics will readily show.

But it has not established the fact—nor did the operations that took place before it—that the State Insurance Office is one from which a person is likely to obtain greatly reduced rates of premium. There are, of course, a large number of other instances where primary producers indulge in insurance. I am not, however, for one moment going to concede that the member for Guildford-Midland was right when he said that workers' compensation is only one-tenth of their liability in that regard; I would suggest that it is considerably higher in most cases, and certainly higher in many cases. There are many other forms of insurance, such as fire insurance, crop insurance and so forth.

Here again I must confess that I do not think the State Insurance Office is capable of affording insurance at much lower rates than some of the non-tariff companies. There are quite a number of these companies, quite aside from those two or three that represent Lloyd's of London. There are two or three other companies, including the General Accident Corporation of St. George's Terrace—the name of which comes to mind—that are not associated with the tariff companies and which are in stern competition, so far as rates are concerned.

I know this, because I have made some inquiries, and some of the premium rates charged by Lloyd's representatives, and the non-tariff companies, are up to 50 per cent. less than those charged by tariff companies; in some cases, in view of the risks they cover, in my opinion the rates border upon the ridiculous. So it will take the State Insurance Office a considerable amount of energy and thought and calculation, to be able to reduce its rates below those that are operating because of free competition by the non-tariff companies in the State, excluding for a moment from this particular discussion all the other companies that are concerned.

Would I be incorrect in saying that in regard to such risks as fire and crop insurance, and so forth, the State Insurance Office will do as it has done in the past? In other words, reinsure with other companies so that it will not have to absorb, in a given time, the considerable amount which would be involved in the insurance it would have to effect. It has done this in the past in regard to the limited lines of insurance, such as Government fire insurance—and I have no doubt in regard to many other aspects of insurance, which it is now able to cover under the terms of the present Act. If it is granted an extended franchise, as proposed in the Bill, it will still have to reinsure. With whom does it mainly reinsure? With the brokers at Lloyd's—the very people who are in competition with it!

So, as I said at the beginning, when I came here this afternoon I intended to maintain an attitude of benevolent neutrality towards this measure; but when I heard the ridiculous assertions of the member for Guildford-Midland who, in a spate of soapbox oratory, tried to prove something which was thoroughly and completely ridiculous, I was obliged to say something in reply.

Mr. Brady: So long as you give it, you can take it.

Hon. A. F. WATTS: So far as I am concerned, I do not care whether the franchise of the State Insurance Office is enlarged or not; it makes not one shadow of difference to me as an individual. But, as was said many years ago in the report of a select committee, I subscribe to the belief that the State should be able to intervene in what I think was termed social insurance of a compulsory nature. I still hold that view, and the State Insurance Office has the authority to handle that form of insurance at present. I include in that category motor vehicle insurance which, although not compulsory, is partly so and could really be termed as such. Therefore, I think it has been properly included in the franchise of the State Insurance Office.

But in the existing circumstances, I do not think there is any need for an enlargement of the franchise in the way suggested in this measure. I do not think it will serve any useful purpose. While it is the policy of those who are associated with me to ensure that in forms of compulsory insurance there should be some means of assessing fair rates of premium—because everybody is obliged to take out insurance along those lines and is therefore entitled to the protection that the State office can afford—there seems to be need for a freedom of choice to be left to the individual. People are entitled to hold certain opinions but we do not want to encourage the development of State enterprises because we do not regard them

as necessary. We think it is better if they are restricted, and for that reason I find myself, regretfully perhaps, unable to support the measure.

THE MINISTER FOR LABOUR (Hon. W. Hegney—Mt. Hawthorn—in reply) [7.43]: The general opposition to the Bill has been of a like character, both, as members know, from the Liberal Party and the Country Party. On reflection, I think it will be agreed that a fair amount of extraneous matter has been introduced into the second reading debate. I do not propose to answer all the arguments that have been presented, because some of them were quite irrelevant to the Bill. Suffice it to say that some of the statements made, particularly by the member for Mt. Lawley and, to an extent, by the member for Toodyay, were a little incorrect. In referring to the remarks of the member for Mt. Lawley, I did not suggest that the public was not well served by insurance companies. But I did submit that if the State Insurance Office were authorised to engage in fire and other forms of general insurance, the public would benefit by reduced rates and substantial bonuses.

Hon. A. V. R. Abbott: You did not give any reason.

The **MINISTER FOR LABOUR**: I did not interrupt the member for Mt. Lawley. I am trying to get him on the target and he would assist me by listening, because after I have dealt with him, I shall endeavour to answer the member for Toodyay and the member for Nedlands. I know that whenever a Bill has been introduced relative to workers' compensation, the argument has been that it will increase the cost to industry. This measure, however, will, if anything, tend to reduce insurance premiums and the public will have a wider field of choice.

Last year it was agreed that the State Insurance Office should be obliged to pay various forms of taxation, and that it should engage in insurance business on a competitive basis with the private companies. The member for Mt. Lawley asked if it were the Labour policy to assist Western Australian industry as it concerned the insurance business. Naturally that is our policy. We realise, and I think everybody else does, that the less money that goes overseas, the better it will be for Western Australia. I would like to indicate that the State Insurance Office is prepared to meet the Underwriters' Association on any reasonable basis, reserving the right to pay such bonuses and make such discounts available as the profits of the business warrant.

It is interesting to note that in June, 1952, the State Insurance Office offered to reinsure £2,000,000 of a certain risk with the Underwriters' Association, and had this been accepted it would no doubt have been distributed between the tariff

companies of the State. After a lapse of months, I am advised that much embarrassment was caused to the State Insurance Office, which received a letter from the Underwriters' Association stating, among other things, the following:—

As our two organisations do not operate on identical lines, it does not seem practicable or possible, unfortunately, to enter into a reinsurance agreement as was at first mentioned. The rates applicable would have to be a matter of agreement after a discussion on each particular risk, but in fairness we would advise that we consider, in regard to the South Fremantle Power House, that the rate mentioned appears to us far too low.

It is obvious that any rate fixed by the State office for any risk covered by the office must be such as would be acceptable to the reinsuring underwriters, and in this particular case the office experienced no difficulty whatever in obtaining complete reinsurance of the risk. If this Bill is passed—and I hope it will be, because if it is not, I think I can speak for the Government and say we will persist until it is—the State Insurance Office is prepared to enter into negotiations with the Underwriters' Association with a view to reciprocal business between the office and the companies.

I will now deal with the State office's profits to which the member for Nedlands and the member for Mt. Lawley made reference. The member for Mt. Lawley said that the office's profits would average from 5 to 7 per cent., which is rather surprising because the facts are so readily available. In the "The West Australian" of the 12th May the following will be found:—

The Eagle Star Insurance Co. is raising its ordinary dividend by 5 per cent, making 45 per cent. for 1952 or 4s. 6d. a share, the final payment being 10 per cent. For each of the preceding six years the distribution was 40 per cent.

Hon. A. V. R. Abbott: Is that an English company?

The **MINISTER FOR LABOUR**: Yes.

Hon. A. V. R. Abbott: A very old one.

The **MINISTER FOR LABOUR**: The following information appears in "The Australian Insurance and Banking Record" of the 21st June, 1954:—

Name of Company	Nominal Share Value		Dividend Rate per cent.	Share Value in May 1954	
	s.	d.		s.	d.
Australian General	15	0	12.5	46	3
Automobile Fire	20	0	25	64	0
Bankers & Traders	12	6	12.5	39	6
Mercantile Mutual	20	0	15	62	0
New Zealand Ins. Co.	20	0	17.5	152	0
Queensland	20	0	12.5	68	6
South British	10	0	10	33	0
United	100	0	12.5	370	0
Victoria	10	0	20	47	0

It can be confidently assumed that during the lifetime of a number of these companies there have been substantial bonus share issues so that the dividend rates quoted would be much higher if they were paid on their original rate issues at par value.

Mr. Court: Now tell us what the percentage is on the funds employed.

The MINISTER FOR LABOUR: The hon. member can supply that information. He is in touch with the insurance companies and should have the information. I am making a brief reply to some of the remarks by the member for Mt. Lawley. A comparison was made between workers' compensation business and some business undertaken by the insurance office of Queensland. But that has little to do with the position because the State Insurance Office of this State has the authority to engage in workers' compensation business. I would like to deal with the fire insurance business of Queensland. I am advised that for nine successive years the policy holders were rebated to the extent of 33½ per cent. per year, and for the year ended the 30th June, 1954, £165,000 was rebated to policy holders.

Hon. A. V. R. Abbott: They would not be making it out of the workers, would they?

The MINISTER FOR LABOUR: They got free premiums for three years. I might interpolate here that much criticism was indulged in by members of the Opposition with regard to Queensland. The facts are that the people of Queensland must be satisfied with the Government of that State and with its policy.

Hon. Sir Ross McLarty: I would not say that.

The MINISTER FOR LABOUR: The other evening members were talking about fish, and they are now beginning to bite.

Hon. Sir Ross McLarty: Overwhelming Federal victories!

The MINISTER FOR LABOUR: Members of the Opposition are already on their toes. The people of Queensland know what the policy of the Queensland Government has been, and from 1915 to 1929 there was a Labour Government in that State; for three years there was a Liberal Government. From 1932 to the present day, a period of 22 years—despite criticism of the members of the Opposition and the alleged criticism from certain interests in Queensland—the Labour Government is carrying on.

Hon. Sir Ross McLarty: And will.

The MINISTER FOR LABOUR: I thought I would remind members that the people of Queensland are not ivory from the shoulders up.

Hon. D. Brand: Not after looking at the Federal election figures.

The MINISTER FOR LABOUR: The attitude of the State Insurance Office will be directed towards the reduction of premiums, and as an instance I will quote the insurance in connection with the local government authorities pool. When that was established, the rates charged by the State office were approximately 20 per cent. below tariff rates, notwithstanding which over £8,000 has been rebated to local authorities, and I think there are 122 of them participating in the scheme.

While I do not want to indicate that I had anything to do with this as the Minister in charge, all the spadework having been done and the negotiations having been carried out by the department and the Minister prior to my appointment as Minister for Education, I would refer the House to the insurance scheme that has come into operation from the 1st July relative to schoolchildren. It is to insure schoolchildren against accident at the rate of 3s. 6d. per child or 10s. 6d. per family. The headmasters and the parents and citizens' associations are co-operating with the department in the collection of premiums.

Hon. C. F. J. North: Is that amount per annum?

The MINISTER FOR LABOUR: Yes. It is understood that the tariff companies' rates for similar risks were in the vicinity of £1 per head.

Hon. A. V. R. Abbott: What is Lloyd's rate?

The MINISTER FOR LABOUR: The hon. member seems to be obsessed by Lloyd's. I am always willing to learn and I would like the member for Mt. Lawley to some day give me a dissertation on Lloyd's. I desire now to deal with the silicosis fund mentioned by the member for Mt. Lawley. Originally all premium income in respect of mining diseases insurance was placed in the general reserve account of the office. When the present manager was appointed, he split the reserve and created a special pneumoconiosis reserve, and the adjustment was approved by the Auditor General, so the Chamber of Mines and other interested parties would know at any time what was happening to these funds. At no time has the office taken one penny profit from the fund, which has also been credited with all interest earned from its investments.

When the Premium Rates Committee was formed under the Workers' Compensation Act, certain members thereof wanted to arbitrarily reduce the premium of 80s. per cent., which had been fixed by a Fellow of the Institute of Actuaries who had in mind the very potential liability. The manager immediately objected to such an arbitrary adjustment and stated that, as the fund was merely a trust fund held on behalf of the mining employers, he would be quite willing for any reduction in the

rate to be made, provided it was agreed to by a qualified actuary. For that reason the member for Mt. Lawley, who was then Minister in charge of the State Insurance Office, had the Act amended to provide that the rate could not be adjusted except by a qualified actuary or by the Minister.

With the approval of the Minister a small arbitrary reduction of 20 per cent. was made and upon the matter being referred to the Government consultant actuary, he reported that, in view of the substantial amount now standing to the credit of the fund, it would not be unreasonable to apply a 70 per cent. loss ratio in adjusting future premiums. His suggestion was adopted, which accounted for the rates being reduced to 30 per cent. Twelve months ago the manager of the office advised the Chamber of Mines that if it could obtain a certificate from an actuary that the present fund of £1,000,000 was adequate to meet the potential liability, he would be quite willing to recommend to the Premium Rates Committee that the interest earned by the fund should be taken into consideration when determining the current premium rates.

There is no doubt whatsoever that had the insurance companies been handling this business, a very large proportion of that fund would have been handed out by way of dividends, because profit is the motive of the private insurance companies, and nobody today would have been in a position to determine what amount could be available for future commitments. This is a further demonstration of how beneficial the State office has been to one very large section of employers.

A comparison was made between the profit of £580 made on State Insurance Office workers' compensation business and approximately £60,000 on the Government workers' fund. In arriving at the premiums to be charged to Government departments, the basis adopted by the Workers' Compensation Board under Section 30 of the Workers' Compensation Act—namely, 70 per cent. loss ratio—is used by the State office; but that figure is applied to the average results over a period of three years, and triennially the premiums are adjusted to a 70 per cent. loss ratio.

Unfortunately, certain members of the Premium Rates Committee have made an unrealistic approach to the fixation of the premiums to be charged by insurers generally for workers' compensation business. The result is that, in common with all other insurers, the State office will have a substantial loss for the year ended the 30th June, 1954, although the loss will be proportionately less than that of other insurers because the State office administrative cost on that type of business is approximately 10 per cent. as against 35 per cent. for other insurers.

For example, in January, 1953, the mining rate was reduced from 75s. per cent. to 43s.6d. per cent., although the manager

of the office drew the attention of the committee to the fact that, on the Workers' Compensation Board's own figures, that rate would produce a very substantial loss; and he urged the committee to approve of a rate of 62s. 6d. per cent. being the rate which would apply to the average of three years' transactions. The committee refused to do that, but the following year had to increase the rate to 65s. 6d. per cent. The financial statements of the State office for the year just ended, and those of all other insurers, will undoubtedly reflect the effect of the drastic reductions that were brought into operation by the committee in January, 1953.

The remarks of the Leader of the Opposition were very brief. He referred to the question of a monopoly, but I will put him in cold storage till the end of my remarks. The member for Toodyay referred to the possibility of compulsion being brought to bear to place insurance with the State office. This is not correct, as no compulsion is brought to bear on the many clients of the Rural & Industries Bank, or even those to whom substantial advances are made under the heading of "assistance to industries." It may be suggested to them that the State office is available, but they are perfectly free to insure where they choose. The only manner in which compulsion could be brought about would be by having a clause in the agreement that insurance must be effected with the State office.

There is no such clause and there was no such clause when the Leader of the Country Party was the Minister or when the member for Mt. Lawley held that office; nor has the attitude changed since. While that is more or less a standard clause in many mortgages and agreements, used by private firms in the interests of tariff companies, it does not appear in any contract entered into between the State office and its clients. It was further stated that in respect of workers' compensation business, some rates of the State office were higher for different industries than those provided by private enterprise. I think the member for Toodyay made reference to that.

Hon. L. Thorn: I really said they were higher when I was insured. They might not be now.

THE MINISTER FOR LABOUR: The statement that some of the rates of the State office are higher than those provided by private companies was incorrect. The maximum rates that can be charged are determined by the Premium Rates Committee, and the companies always charge the maximum rates, whereas the State office endeavours to accept the business at about 20 per cent. below maximum rates. The few occasions on which the companies charge less than the maximum rates are where quotes are given by the

State office to prospective clients who immediately go back to their insurance company which reduces its rate to that quoted by the State office to enable it either to obtain business or to continue to hold it. So it will be seen that the State office is performing a very useful function in the element of competition so far as insurance business in this State is concerned.

I would like to make it clear to the hon. member that all costs are charged in a businesslike manner against the operations of the State office; but, as disclosed by the financial statements, certified as correct by the Auditor General, the office is by no means on the wrong side of the ledger. An amount equivalent to the taxation which any company would pay, as certified by the Commissioner of Taxation, is transferred annually to the State Treasurer. Stamp duty is also paid, and fire brigade charges are paid in respect of the business of the office where such charges would be payable by other insurers. Although that is not a statutory requirement, the Minister in 1945 approved of such payments being made.

It was stated by the member for Nedlands that once people found that the insurer was a State instrumentality, they immediately thought they could use political pressure to get some satisfaction. That has not been the experience so far as the State Insurance Office is concerned, and I think the member for Mt. Lawley would doubt that political pressure would be used or would have any effect on the general administration of the office.

Mr. Court: There are cases where an approach would be made to the Minister.

THE MINISTER FOR LABOUR: Some applications are naturally made to the Minister, who refers them to the manager of the office. They are dealt with on their merits, the decision being in no way influenced by political pressure. I know that representations would have been made when the Leader of the Country Party was Minister, and also when the member for Mt. Lawley was in office. They have been made to me. But a responsible Minister does not, in an irresponsible way, say that a claim has to be adjusted immediately, and that the full amount is to be paid overnight. Reference is made to the responsible officer of the department, and the file can be perused; and if the manager thinks there is room for reconsideration, then, in the ordinary course of business administration, that can be done. But the argument that political pressure can be used will certainly not hold water.

During my second reading speech, I made no reference to the fact that it was proposed to reinsure business abroad. All I did was to quote a statement by the general manager of one of the leading tariff companies that it was necessary for

all tariff companies to seek overseas markets for their reinsurance business; and the State office is merely adopting the same policy as that of the companies. As previously pointed out, the reference made by the hon. member to the workers' compensation business of the Queensland office as related to our State office is really irrelevant, as in this State the maximum premiums are determined by the committee appointed for that purpose, and the State office has the statutory authority to handle such business.

As workers' compensation payments are to be liberalised in Queensland as from the 10th May, the member for Nedlands wondered whether the premium rates in Queensland would be increased proportionately. Inquiries made indicate that the whole of the increased benefits payable under the Queensland Act as from the 10th May, which are estimated to cost £600,000 per annum, will be met by the office without any increase in premium rates. The hon. member sought information regarding the position of the Government in respect of fire brigade contributions. Under Section 37 of the Fire Brigades Act, No. 35 of 1942, the Government is liable for a contribution of two-ninths of the cost of the administration of the Fire Brigades Board. That, of course, is in respect of all property owned by the Government.

It is just as well to remind some members of the Opposition what is the main principle of the Bill. A number of them did not refer to the Bill at all. The measure seeks to give to the State Government Insurance Office authority to engage in all forms of general insurance, excluding life assurance. Members know that the State office is limited in its franchise to workers' compensation, the local government pool, third-party motor-vehicle insurance, and, I think, friendly societies insurance. That is the extent of the franchise of the State office. I think it was the member for Blackwood who said that the Minister should come out into the open and let members know where he stood. The Bill is printed in clear English, and it indicates the Government's desires on this subject.

Hon. Sir Ross McLarty: Would you indicate what other forms of insurance you intend to make compulsory next session?

THE MINISTER FOR LABOUR: There is no question of compulsion in the Bill.

Hon. Sir Ross McLarty: No, not in the Bill.

THE MINISTER FOR LABOUR: All right. Parliament must necessarily deal with each Bill as it comes forward.

Hon. Sir Ross McLarty: We look to the future.

THE MINISTER FOR LABOUR: Very well. It appears to me that the hon. member is afraid to trust Parliament. If

there is no objection to the provisions of the present Bill, why try to raise some Aunt Sally?

Hon. Sir Ross McLarty: We have objections.

The MINISTER FOR LABOUR: I will deal with the objections. I say quite candidly that, so far as the member for Blackwood is concerned, there will be no misunderstanding as to where I as the responsible Minister stand, or as to where the Government stands, on the subject. The Bill sets out definitely and clearly the views of the Government in regard to insurance.

Hon. Sir Ross McLarty: For today.

Mr. Oldfield: Socialisation.

The MINISTER FOR LABOUR: That is rather an asinine remark that I will not worry about. The Bill deals with general forms of insurance and has certain machinery provisions. Last year members of the Opposition seized on the matter of life assurance and the State Insurance Office not having to pay certain taxation, and they also raised certain protests about a schedule. The objections to the measure were considered in the intervening period, and the present Bill contains no reference to life assurance. Certain clauses of the schedule have also been incorporated in the measure. It has been indicated that members of the Opposition are opposed to the Bill because they do not believe in any extension of socialistic enterprise. To get down to tinnacks, they do not want the State office to have any further franchise. It was suggested that if the office had such an extension, the service to the public might deteriorate. With the type of people working at the State Insurance Office, and carrying on the administration of the Act, I believe that that argument has no substance whatsoever.

I will now deal with the question that was raised concerning monopolies. The Leader of the Opposition suggested by implication that we were going to try to get some form of monopoly. I remind him that some members of the Opposition at least have been in close touch with interested parties in connection with this matter. I do not blame them. I know there is one organised group in the metropolitan area that is strongly opposed to any extension of this provision, and that is the Chamber of Commerce. Members opposite speak as the official spokesmen of the Chamber of Commerce.

Hon. Sir Ross McLarty: It is a very responsible body.

The MINISTER FOR LABOUR: I am not criticising the members of the Chamber of Commerce as such but am only indicating what our policy is on behalf of the people of the State and not on behalf of any particular group. In dealing with

the question of monopoly, I remind Opposition members that they may recall a very nice young man named Dave Grayden who was once member for Nedlands.

The Premier: I seem to remember the name.

The MINISTER FOR LABOUR: He introduced a Bill which had as its object the control of monopolies. It was to deal with any company, firm, combination or group that was going to act in restraint of trade. Why did the member for Nedlands change? I submit that pressure was brought to bear on him. He did not go on with his Bill, but he was all agog to do something with it when he introduced it. He was anxious to do something to clip the wings of monopolies.

Hon. A. V. R. Abbott: It is on the statute book now, and you know it.

The MINISTER FOR LABOUR: He did not go on with it.

Hon. A. V. R. Abbott: It is on the Federal statute book.

The MINISTER FOR LABOUR: I am not going to use strong words tonight, but I will at least say that members of the Opposition are very inconsistent when they talk about monopolies. There would probably be some different talk about monopolies and combinations if some members had spoken to the ordinary garage proprietors lately. I like to give illustrations when I am speaking. The member for Mt. Lawley as well as the members for Toodyay and Nedlands indulged in a tirade against socialism.

The Premier: They put up a diatribe.

The MINISTER FOR LABOUR: What is socialism?

Mr. Oldfield: What you mob stand for.

The MINISTER FOR LABOUR: This is a very poor approach to a most important Bill. It is entirely irrelevant. The Bill should be dealt with on its merits. Let us have a look at the question of monopoly and see whether the Opposition is consistent. In 1948, the Leader of the Country Party was the Minister in charge of the Workers' Compensation Act, and in that year he introduced an amending Bill, which was a comprehensive measure to deal with the Act. Section 13, Subsection (5) was then inserted in the Act, and it provides as follows:—

On and after the coming into operation of the Workers' Compensation Act Amendment Act, 1948, the State Government Insurance Office shall be the only insurer authorised to insure any employer for the liability of the employer to pay compensation under this Act to all workers employed by him in any mining operation carried on in any defined portion of the State.

The Liberal-Country Party Government of 1948 put in that provision! I am not objecting to it. I agreed to it. But that is

monopoly. It gives the State Government Insurance Office the monopoly of workers' compensation insurance, and not for gold-mining only.

Hon. A. V. R. Abbott: I did not know that.

The MINISTER FOR LABOUR: The hon. member apparently did not wake up to it.

The Premier: I think the Leader of the Country Party put one over you.

The MINISTER FOR LABOUR: This is a clear and unqualified demonstration of the inconsistency of the Opposition in regard to monopoly. All the coalmines that are not approved as self-insurers by the Minister, and all other mining companies, whether they be concerned with columbite, tantalite, beryl, uranium, or any other mineral, have to go to the State Insurance Office because it has a monopoly of this type of workers' compensation insurance. Yet members opposite get up here and say that they do not believe in socialism. I am not going to use strong words. "Inconsistent" is the most appropriate expression that I can use in the circumstances.

The Premier: Very mild.

The MINISTER FOR LABOUR: The member for Moore is not here, but the other night he indicated, in a very pleasant talk, that he had been to the North-West, and he advocated that the Government should get more ships. Is that a socialistic enterprise? Is it an extension of socialism? Is it not more or less on the same lines as an extension of the State Government Insurance Office.

Hon. L. Thorn: Definitely.

The MINISTER FOR LABOUR: What would the Leader of the Opposition say if this Government said that tomorrow it would put the skids under the State Shipping Service and dispose of it? What would be the reaction of Country Party members—we recall the reaction of members when the Mundaring line was closed—if the Minister for Railways, or the Government, decided to close 500 miles of the railways, which is a socialistic enterprise?

Hon. A. V. R. Abbott: You will probably have to do it.

The MINISTER FOR LABOUR: We had a State Electricity Act passed in 1945, and in 1948 the then Liberal Government took over the municipal undertaking of the City of Perth in regard to gas and electricity. An agreement was entered into, and the then Government, which believed entirely in private enterprise, extended the activities of the State Electricity Commission.

Hon. J. B. Sleeman: Yes, and said to Fremantle, "Sell out, or else!"

The MINISTER FOR LABOUR: Members can see how inconsistent the members of the Opposition are in regard to the proposal before the House. To boomerang the position, let me say in conclusion that the Bill contains just an innocuous provision for the extension of the State Government Insurance Office to deal with all forms of general business.

Hon. Sir Ross McLarty: Did you say innocuous?

The MINISTER FOR LABOUR: It is not an octopus at all, but an innocuous provision. If the franchise is extended, it will be of immense benefit to the people of Western Australia. That is the general principle of the Bill.

Hon. Sir Ross McLarty: Tell us what forms of insurance you intend to make compulsory?

The MINISTER FOR LABOUR: Parliament from time to time must deal with the position.

Hon. Sir Ross McLarty: This is the thin end of the wedge.

The MINISTER FOR LABOUR: Since last session I took the trouble to read word for word—and at times it was not too easy—the speeches of every member of the Opposition, and I took their objections into account. After mature consideration I decided, together with the other members of the Government, that strong objection had been raised here to life assurance and that another place had objected to it. As a matter of fact, the other place passed the Bill in the first session of this Parliament by 16 votes to nine at the second reading stage.

What happened between then and when the vote was taken on the third reading? Does any member of the Opposition know that? Do they mean to tell me that in the interval some pressure was not brought to bear on certain members in another place between the second reading and the defeat of the Bill on the third reading? It is not feasible or natural that it would have been defeated otherwise. The Bill passed the second reading by 16 votes to nine, and it was defeated by two votes on the third reading.

Hon. D. Brand: Was that the same sort of pressure that was brought to bear on the member for South Fremantle?

The MINISTER FOR LABOUR: The member for South Fremantle can look after himself. I am just indicating that although members opposite tried to put up a smoke-screen of socialism by saying that this Government was going to extend its socialistic activities and so on, they did so to prevent others from recognising that there are some pressure groups trying to stop the passage of the Bill. I hope that the measure will pass the second reading and that, in due course another place will agree to it so that the

State Government Insurance Office can legitimately extend its activities on behalf of the people of Western Australia.

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

Ayes	20
Noes	19
Majority for	1

Ayes.

Mr. Andrew	Mr. McCulloch
Mr. Brady	Mr. Moir
Mr. Graham	Mr. Norton
Mr. Hawke	Mr. Nuisen
Mr. Heal	Mr. O'Brien
Mr. W. Hegney	Mr. Rhatigan
Mr. Jamieson	Mr. Sewell
Mr. Johnson	Mr. Sleeman
Mr. Lapham	Mr. Styants
Mr. Lawrence	Mr. May

(Teller.)

Noes.

Mr. Abbott	Mr. Nimmo
Mr. Brand	Mr. North
Dame F. Cardell-Oliver	Mr. Oldfield
Mr. Cornell	Mr. Owen
Mr. Court	Mr. Thorn
Mr. Doney	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Manning	Mr. Yates
Sir Ross McLarty	Mr. Hutchinson
Mr. Naider	

(Teller.)

Paivs.

Ayes.	Noes.
Mr. J. Hegney	Mr. Mann
Mr. Guthrie	Mr. Bovell
Mr. Hoar	Mr. Ackland
Mr. Tonkin	Mr. Hearman
Mr. Kelly	Mr. Perkins

Question thus passed.

Bill read a second time.

In Committee.

Mr. Moir in the Chair, the Minister for Labour in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Section 4A added:

Hon. A. V. R. ABBOTT: I move an amendment—

That the words "or outside" in line 13, page 5, be struck out.

As I understood the Minister, the object of the Bill is to enable the State Insurance Office to carry out general insurance business in Western Australia, and this Chamber has agreed to that, but I see no reason why that office should have authority to engage in business outside the State.

The MINISTER FOR LABOUR: I oppose the amendment because, if it were agreed to, the State Insurance Office could not carry on its business, as the hon. member well knows.

Hon. A. V. R. Abbott: I do not know that.

The MINISTER FOR LABOUR: That office insures exports to the United Kingdom, South Africa and elsewhere for the Wyndham Meat Works and the State Saw Mills and insures imports on behalf of the Railway Department. For that purpose it already has an agency in London

and one in South Africa. Those agencies are absolutely necessary if the State Insurance Office is to continue in business. I would remind the Committee that on the 20th October, 1952, the then Minister for State Insurance, the present member for Mt. Lawley, signed an agency agreement making Harvey Trinder the agent of the State office in London. If he did not think it necessary to have outside agents, why did he appoint that one 10,000 miles away? I do not think the intention of the amendment is to strangle the State Insurance Office, but that would be its effect, if agreed to.

Amendment put and negatived.

Clause put and passed.

Clauses 6 and 7—agreed to.

Clause 8—Section 7 amended:

Hon. A. V. R. ABBOTT: I move an amendment—

That after the word "section" in lines 6 to 8, page 8, the words "may be used by the Office for such purpose as the Treasurer may determine" be struck out and the words "shall be paid into Consolidated Revenue Account" inserted in lieu.

The paragraph sets out what is to happen to moneys not required for the purpose of the business carried on by the State Insurance Office. The surplus funds of the State Insurance Office should be under the control of Parliament and paid into Consolidated Revenue. The member for Fremantle should agree with this provision.

Hon. J. B. Sleeman: You never assist the member for Fremantle very much.

Hon. A. V. R. ABBOTT: We will see what the hon. member does for me now.

The MINISTER FOR LABOUR: There is not much substance in the hon. member's contention and the amendment is unnecessary. The Premier could, if he so desired, pay the money into Consolidated Revenue.

Hon. A. V. R. Abbott: But should he not be obliged to do so?

The MINISTER FOR LABOUR: He may be desirous of using the money for some other purpose such as the building of a hospital. The Treasurer has an office and if he feels that the money should be paid into Consolidated Revenue, well and good; but if he deems it advisable that it should be used for some other worthy object, why should he not be allowed to use the money for that purpose?

Hon. A. V. R. ABBOTT: I am surprised at the Minister's attitude. He knows quite well that if the money is paid into Consolidated Revenue, it is subject to estimates and parliamentary sanction. The amount of money that might be placed under the control of the Treasurer, could

be very great. The Government is receiving £60,000 surplus a year from State insurance business. Through the ages it has been a principle that Parliament should control government money. I remember the member for Fremantle making a terrible fuss over £34,000 going astray.

Hon. J. B. Sleeman: Yes, and this Government had to bring down legislation to do something about it.

Hon. A. V. R. ABBOTT: Yes, I know. There is a principle involved here. Government money should be expended only with the authority of Parliament.

The Minister for Health: It is subject to audit.

Hon. A. V. R. ABBOTT: That is not the point. If it comes up as an item on the Estimates, Parliament has the right to debate it and control the situation. I am rather surprised at the Treasurer for not influencing the Minister to give way. Even the member for Leederville is a stickler as to how Government funds should be handled.

Hon. A. F. WATTS: I do not think the Minister's views on the clause are correct, and if they are not, I certainly agree with the member for Mt. Lawley. In my view, the only thing the Treasurer cannot do with this money is pay it into Consolidated Revenue according to the wording of the clause at present, because it reads, "may be used by the Office for such purpose as the Treasurer may determine." On my understanding of the wording of the clause, it was never intended that the moneys should enter into any parliamentary estimate, but that the Treasurer might say to the general manager, "You have £20,000 and the building needs a coat of paint so you can spend the money on that," or, "A new branch is needed at Kalgoorlie so the money can be used for its establishment." The money should go through the same channels as all other Government expenditure, namely, the Estimates presented to Parliament, which are approved every year. The words "may be used by the Office" make it quite impossible for the Treasurer to pay the funds into Consolidated Revenue.

Mr. JOHNSON: Having listened to the member for Mt. Lawley and the member for Stirling, I think there is some virtue in the clause as printed. When we were debating the second reading of the Bill, the member for Mt. Lawley raised objection to the idea that profits might be used to reduce taxation. This principle is against the intention of his amendment, the purpose of which is that should there be any surplus funds at the disposal of the State Insurance Office, they should be applied by the Treasurer towards the reduction of taxation. That may or may not be a good provision.

It appears to me, as it stands now, that any surplus may be used by the State office for such purpose as the Treasurer may determine, and he, of course, also controls the money that flows into Consolidated Revenue. It is most unlikely that it will be determined in a wasteful manner. The office would only be permitted to apply the funds inside the terms of the Act, namely, for the purposes of the office, or something connected with it. With the co-operation of the Treasurer, it may be possible to use small surpluses for research of some kind, which may be of value to the office, such as research into useful insurance or accident insurance, with a view to reducing that type of insurance.

The surpluses likely to occur should be very small because it should not be the objective of the State Insurance Office to create large profits beyond its requirements. It is not required to pay dividends to shareholders but to run an efficient business in a profitable manner, though not excessively profitable. The accounts will be audited by the Auditor General and submitted to Parliament. If the clause is dangerous, it will show in a period of years in a series of Auditor General's reports, and can then be amended. I support the clause as it stands.

The MINISTER FOR LABOUR: I cannot accept the amendment. But if the Chamber will let the matter go, I will undertake to give consideration to the words "by the Office." I will give attention to the matter raised by the member for Stirling before it goes to another place.

Amendment put and negatived.

Clause put and passed.

Clause 9—Section 7A added:

Hon. A. V. R. ABBOTT: I had intended to submit an amendment similar to the one I moved to the last clause. As the amendment in that instance was defeated, there is no point in moving another along the same lines. The Minister said that he would give consideration to some amendment and I hope that, after discussion with the Treasurer he may come around to my point of view. I propose to vote against the clause as a whole because it seems bad administration where a State utility is authorised to carry on such business as insurance, that there should also be a separate account for the Government. At the moment, we know why it has this agency because the company cannot carry on fire insurance and therefore it merely acts as an agent for the Government, the Government carrying a certain proportion of its own risk, the rest, of course, being insured with Lloyd's.

What advantage is there in keeping separate accounts and funds? It means increased overheads and increased difficulties because separate accounts will have to be made, and separate rates will have

to be effected. I cannot see any reason for it at all. The reason lapses with the passing of the Bill. Previously, it was essential, and in giving instructions for the drafting of this measure the Minister has not appreciated that if this utility has full powers, there is no reason why the Government should not insure with it, in the ordinary sense of the word.

If this provision is struck out and the Bill becomes an Act, the Government will carry on its insurance business with the State office as in the past, without the trouble of having separate accounts. Accordingly, I ask the Minister to consider striking it out. I would go further and ask him to consult the manager of the State Insurance Office to see whether there would not be increased overheads. The Government's business is considerable on its own, and to sever it from the ordinary business of the office seems unnecessary. I ask the Minister to have the clause struck out.

The MINISTER FOR LABOUR: Due consideration will be given to the comments of the member for Mt. Lawley. Each year the Auditor General submits his report after examining the accounts in conjunction with the manager of the State Insurance Office, and I suggest the matter might be left in their hands to determine what accounts will be opened up. The manager of the State Office has been largely responsible for drafting all these clauses, in conjunction with the Parliamentary Draftsman, and this has been done after considerable thought. I do not feel disposed to alter it at this stage, but will consider the matter and, if there is any substance in the suggestion made by the member for Mt. Lawley, I will give consideration to having the clause altered elsewhere.

Mr. COURT: Before we pass the clause, could the Minister give us a brief explanation of the reason why this business is going to be treated separately in future? It would be an advantage to the Committee and to younger members, like myself, if the Minister could give us some reason why these separate accounts are to be kept.

Clause put and passed.

Clause 10—Section 7B added.

Hon. A. V. R. ABBOTT: This provides for a new section. In proposed Subsection (2) it sets out that the office shall apportion between the appropriate and proper accounts and in such proportions as the manager approves, all payments by it in respect of the administration of insurance business. This should really be done in consultation with the Auditor General, or it should be done by that official, otherwise it would be possible to use profits made out of one fund to defray the expenses in connection with another. The office may make

a large profit out of the mining fund and allocate too much to the expense of that particular fund. The allocation to be made to, say, the Government agency or the ordinary account should be done on an accurate basis for proper accounting. The Auditor General is the proper person to decide what allocations should be made to the various funds. I move an amendment—

That the words "General Manager" in line 38, page 8, be struck out and the words "Auditor General" inserted in lieu.

The MINISTER FOR LABOUR: If the amendment is carried it will seriously delay the presentation of accounts of the State Insurance Office because it will result in too many certificates having to be issued by the Auditor General. The latest report of the State Insurance Office was certified by him, as were the apportionments to the various funds.

Hon. A. V. R. ABBOTT: I agree they were, but they need not have been certified by him.

The MINISTER FOR LABOUR: I refer the hon. member to Subsection (3) of proposed new Section 7D, which appears in Clause 12. In actual practice the manager ensures that the accounts are prepared as quickly as possible after the end of the financial year. The Auditor General has the authority to make the necessary adjustments. He certifies as to the correctness and the proper apportionments. The only effect of the amendment would be to delay the preparation of annual accounts and reports.

Amendment put and negatived.

Hon. A. V. R. ABBOTT: Subsection (3) of proposed new Section 7B provides—

Where the salary, wage, allowance or refund in respect of a person appointed to a position on the staff of the Office under the Public Service Act, 1904-1950, is paid out of the Consolidated Revenue Fund, the amount thereof shall be recouped from the appropriate and proper fund.

The staff in the office should have the first opportunity of promotion to senior positions. The staff should be linked as little as possible with the Public Service. Those who have served faithfully in the office and worked their way up should have the first opportunity of filling all higher appointments. I move an amendment—

That at the end of Subsection (3) of proposed new Section 7B, page 9, the following words be added:—

"No person shall be appointed to a position on the staff of the office under the Public Service Act, 1904-1950, if the position can be satisfactorily filled by a person already on the staff of the office."

The MINISTER FOR LABOUR: I oppose the amendment. I do not know what approaches have been made to the mover to have it inserted.

Hon. A. V. R. Abbott: What is the objection?

The MINISTER FOR LABOUR: One objection is that the position is now covered by the Public Service Act.

Hon. A. V. R. Abbott: Members of the State Insurance Office are not civil servants.

The MINISTER FOR LABOUR: Members of the Public Service can apply for a vacant position in the State Insurance Office. Surely the office is entitled to obtain the best officers it can. Why restrict it?

Hon. A. V. R. Abbott: I am not restricting it, everything else being equal.

The MINISTER FOR LABOUR: In effect, it is suggested that if a person already employed in the State office is competent to fill a vacancy, he shall be given preference over anybody from another branch of the Public Service. If the manager knows that there is an officer in his department who can fill a vacancy that may occur, will he not give priority to that person? The manager should be under no restriction in such a matter. No one would suggest that if there was an employee in the office competent and available to fill a vacancy, the manager would go outside and appoint someone else. That would not be feasible, and I do not think that is right. In a matter of this kind, the present practice should continue.

Amendment put and negatived.

Clause put and passed.

Clause 11—Section 7C added:

Hon. A. V. R. ABBOTT: The intention is that the State office shall be competitive with insurance companies. Last year the Opposition proposed certain amendments and they have mostly been incorporated in the proposed new section. The State office is to pay a contribution to the Government equal to the payroll and income taxes and other outgoings such as a company has to pay. The office must also pay stamp duty on policies and make a contribution to the fire brigades. The proposed new Subsection (5) states—

The provisions of this section apply only to insurance business underwritten by the office on and after the coming into operation of the State Government Insurance Office Act Amendment Act, 1954, but do not apply to the fund referred to in section seven A of this Act.

The Minister will doubtless say that the Government already contributes two-ninths of the cost to the Fire Brigades

Board, but is that a reasonable amount? I am suggesting that the Government should contribute in respect of insurance an amount such as a company would pay. I see no reason why the Government should not pay its contribution. I move an amendment—

That all the words of the proposed new Subsection (5) after the word "section" in line 38, page 9, be struck out with a view to inserting the following words:—"shall not be construed so as to have a retrospective effect."

The MINISTER FOR LABOUR: I have been advised by the manager that if the Bill becomes law, Government property will be insured through the State Office and it is unlikely that the business will be offered to insurance companies. If stamp duty were payable, it would be a matter of taking money out of one pocket of the Government and putting it into another. Fire brigade charges are already provided for under the Fire Brigades Act.

Hon. A. V. R. Abbott: I do not think they are reasonable.

The MINISTER FOR LABOUR: Does the hon. member wish us to pay more?

Hon. A. V. R. ABBOTT: Yes. I agree with the Minister as regards stamp duty, but Government property will be reinsured. The Government carries a very small proportion of the risk. The two-ninths contribution to the Fire Brigades Board was considered to be a social service contribution, which it really is.

Mr. COURT: When I asked the Minister a question on Clause 9, I desired information about the proposed new Subsection (5) now under consideration. Does the Government propose to carry all its own workers' compensation and general insurance and not reinsure with private companies? I agree that it would be silly to pay money out of one pocket and put it into another, but if its intended to put the business on a strict basis and reinsure the Government risk, the proposed new section takes on a different complexion. I think the Minister mentioned that it was not intended to reinsure Government buildings.

Hon. A. V. R. Abbott: They are reinsured now.

Mr. COURT: That is what we want to find out, because that is definitely related to the proposed new Section 7C.

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

Ayes	....	....	....	....	19
Noes	....	....	....	....	20
Majority against					1

Ayes.

Mr. Abbott	Mr. Nimmo
Mr. Brand	Mr. North
Dame F. Cardell-Oliver	Mr. Oldfield
Mr. Corneli	Mr. Owen
Mr. Court	Mr. Thorn
Mr. Doney	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Manning	Mr. Yates
Sir Ross McLarty	Mr. Hutchinson
Mr. Nalder	

(Teller.)

Noes.

Mr. Andrew	Mr. McCulloch
Mr. Brady	Mr. Norton
Mr. Graham	Mr. Nulsen
Mr. Hawke	Mr. O'Brien
Mr. Heal	Mr. Rhatigan
Mr. W. Hegney	Mr. Rodoreda
Mr. Jamieson	Mr. Sewell
Mr. Johnson	Mr. Sleeman
Mr. Lapham	Mr. Styan
Mr. Lawrence	Mr. May

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Mann	Mr. J. Hegney
Mr. Bovell	Mr. Guthrie
Mr. Ackland	Mr. Hoar
Mr. Hartman	Mr. Tonkin
Mr. Perkins	Mr. Kelly

Amendment thus negatived.

Clause put and passed.

Clause 12—Section 7D added:

Hon. A. V. R. ABBOTT: This new section contains words that I do not think are quite necessary. They may lead to an inference that is not intended. The Bill provides that the manager may enter into and enforce contracts with insurers. Everyone knows that if a contract is entered into, it may be enforceable at law and through the courts. The words in the clause "and enforce" may imply that the office could by some other direct or indirect method enforce the contract. I move an amendment—

That the words "and enforce" in line 12, page 10, be struck out.

The MINISTER FOR LABOUR: I have no objection to the amendment, but I ask the member for Mt. Lawley not to press it now because I will undertake to have this matter, together with any others that may be necessary, tidied up when the Bill gets to another place.

Amendment put and negatived.

Clause put and passed.

Clauses 13 to 16, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—MATRIMONIAL CAUSES AND PERSONAL STATUS CODE AMENDMENT.

In Committee.

Resumed from the 22nd July. Mr. Moir in the Chair; the Minister for Justice in charge of the Bill.

Clause 2—Section 15 amended (partly considered):

Hon. Dame FLORENCE CARDELL-OLIVER: I object to this clause. I feel that in everything we do regarding this

class of legislation, we are making divorce easier for the people, which, in my opinion, is a very grave step to take. In the course of the Minister's speech he said that he had been approached by a member or the friend of a member of Parliament regarding this clause and that he hoped it would be passed. Ever since I have been in this Chamber every divorce measure that has come before us has been brought down because of some member or the friend of some member desiring an amendment of the Act. We are not here to legislate for a few, but for the whole of the people, and I think that on further consideration the Minister will agree that this measure is not in the interests of the State.

One member said the other evening that perhaps those who desired to take advantage of this Bill wanted children but could not have them under the conditions in which they were living. In my experience the first few years of married life are always the most difficult. If people live satisfactory through those first years, a marriage very often becomes a happy one. I have known people who could not have children in the first few years of their married lives but had them even after 10 or 15 years. In my opinion, it is simply a matter of continuing as they do in the first three years of their married life.

I think it was the Leader of the Country Party who said that he objected to the provisions of the Bill and that if people could not find out that something was wrong in the first three years, we had no right to lengthen that period, because it was their own fault. I believe the Minister said that these people had just gone over the stipulated period by a few days. As the Leader of the Opposition said, this is simply the thin end of the wedge and later on the period will be increased until the law will become of no use at all. Members know that the Commonwealth Government has been approached by many organisations to bring down uniform divorce legislation and I hope that nothing further will be done until that comes about.

Mr. McCulloch: What clause are you discussing?

Hon. Dame FLORENCE CARDELL-OLIVER: Clause 2. I object to it from a woman's point of view, a religious point of view and a commonsense point of view.

The MINISTER FOR JUSTICE: The law, as it stands, is part of our society and our make-up and there are at present a number of grounds for the dissolution of marriage. In 1946 there were 1,008 divorces granted and in 1953 there were 1,015. More writs were taken out by husbands than by wives, so apparently the wives were the greater offenders. Then again, a number of people who would have taken action, happened to miss on the three years because they were faithful to

their wives and perhaps very much in love with them and had carried on. It must be remembered that there is also wilful refusal, which is worse than incapacity. I feel that there will not be many people affected, but there will be some.

Although I personally do not believe in divorce, we all know there are circumstances where it is provided for in almost every British speaking country. In the U.S.A. some of the 48 States will dissolve marriage on the slightest ground. Mental cruelty and six weeks' residence will satisfy the Nevada jurisdiction, while in New York adultery is the only ground for divorce. In South Carolina there is no divorce at all and in Canada absolute divorce is obtainable only in four provinces. There is no divorce machinery in either Italy or Spain and in the five South American Republics—Argentina, Brazil, Chile, Columbia, and Paraguay—there is none.

In Eire the courts grant separation only, but the parties cannot marry again. There a petitioner may secure absolute divorce only by an Act of Parliament. However, I feel that we must move with the times and I think we can leave it to the discretion of our courts. I have a letter from a person at 223 Walter-rd. Inglewood, who says her son was married but that the marriage was not consummated. It was not a matter of incapacity but of wilful refusal to consummate the marriage. The son was deeply in love with the girl he married, and kept on trusting her but at last, through worry, he decided to return home.

However, it was only three weeks off the three years and he consequently had no redress. I do not want to give this person's name, but if the member for Subiaco wishes to read the letter, I will show it to her. We trust our judges with people's lives, and surely we should trust them in these cases. This concerns only the Supreme Court; the lower court is not involved, and I do not think the amendment in the Bill is unreasonable. It will not harm anyone, and it will be an indication to the judges that they should be permitted to use their discretion. In the case I quoted, the woman was tested and found to be still a virgin.

Hon. Dame Florence Cardell-Oliver: If you had a thousand letters, there might be something in it, but you have had only one letter.

The MINISTER FOR JUSTICE: I have other letters, too. A number of people do not know the law and consequently do not take advantage of it. But if a person wilfully refuses to consummate a marriage, why should we expect the other partner to remain with that individual?

Hon. A. F. Watts: The Bill does not alter that; it only extends the time.

The MINISTER FOR JUSTICE: If an application is made a day or a week after the three years, the court has no jurisdiction, and, in my opinion, we should allow our judges to have some discretion.

Hon. J. B. SLEEMAN: Before casting a vote on this proposition, I want some help from the Leader of the Country Party. I understand that a person can sue for restitution of conjugal rights, and if the order is not complied with, the person has ground for divorce. Is that right?

Hon. A. F. Watts: As far as I know.

Hon. J. B. SLEEMAN: In my opinion, the non-fulfilment of conjugal rights would be the same thing.

Hon. A. V. R. Abbott: I would not like to mislead you, but as far as I know it is not a ground for divorce.

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

Ayes	....	....	....	19
Noes	....	....	....	19
A tie	....	....	....	0

Ayes.

Mr. Andrew	Mr. McCulloch
Mr. Brady	Mr. Norton
Mr. Graham	Mr. Nulsen
Mr. Hawke	Mr. O'Brien
Mr. Heal	Mr. Rhatigan
Mr. W. Hegney	Mr. Sewell
Mr. Jamieson	Mr. Sleeman
Mr. Johnson	Mr. Styants
Mr. Lapham	Mr. May
Mr. Lawrence	

(Teller.)

Noes.

Mr. Abbott	Mr. Nimmo
Mr. Brand	Mr. North
Dame P. Cardell-Oliver	Mr. Oldfield
Mr. Cornell	Mr. Owen
Mr. Court	Mr. Thorn
Mr. Doney	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Manning	Mr. Yates
Sir Ross McLarty	Mr. Hutchinson
Mr. Nalder	

(Teller.)

Pairs.

Ayes.	Noes
Mr. J. Hegney	Mr. Mann
Mr. Guthrie	Mr. Bovell
Mr. Hoar	Mr. Ackland
Mr. Tonkin	Mr. Hearman
Mr. Kelly	Mr. Perkins

The CHAIRMAN: The voting being equal, I give my casting vote with the Ayes.

Clause thus passed.

Clause 3, Title—agreed to.

Bill reported without amendment and the report adopted.

House adjourned at 9.50 p.m.