Hon. H. S. W. Parker: I do not object to the amendment.

Hon. T. MOORE: I have often heard it said that "may" in certain circumstances means "shall."

Hon. J. Nicholson: The meaning is set out in the Interpretation Act.

Hon. T. MOORE: Then where are we getting? We propose to remove the word "shall" and insert the word "may," which means the same thing.

Hon. H. S. W. Parker: What do you want to insert?

Hon. T. MOORE: I say that we are rushing this Bill through the Chamber. The hon. member is in a hurry to-night. He does not want to report progress because he thinks that we will be able to perceive defects.

Hon. H. S. W. Parker: If you have not been able to see them by now——

Hon. T. MOORE: I have not had the Bill.

Hon. H. S. W. Parker: Then why not get one?

Hon. T. MOORE: Copies of the Bill have not been supplied. I want the gentlemen learned in the law to tell me whether the word "may" does not mean "shall" in certain circumstances.

The CHAIRMAN: Could not the hon. member look up the Interpretation Act for himself?

Hon. T. MOORE: I have not had the time.

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

Clause 3, Title—agreed to.

Bill reported with amendments.

House adjourned at 12.7 a.m. (*Wednesday*).

Legislative Assembly.

Tuesday, 6th December, 1938.

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

ASSENT TO BILLS.

Message from the Lieutenant-Governor received and read notifying assent to the following Bills:—

1. Financial Emergency Tax.
2. Financial Emergency Tax Assessment Act Amendment.
3. Lights (Navigation Protection).
4. Wheat Products (Price Fixation).

MOTION—STANDING ORDERS SUSPENSION.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.34]: I move—

That during the remainder of the session the Standing Orders be suspended so far as to enable Bills to be introduced without notice and to be passed through their remaining stages on the same day, and all messages from the Legislative Council to be taken into consideration on the day they are received; and that consideration of this motion be proceeded with forthwith.

Mr. SPEAKER: That means that the Premier is asking the House to agree to the suspension of the Standing Orders to permit consideration of the motion forthwith.

The PREMIER: I have moved that the motion be considered forthwith.

Mr. SPEAKER: It is customary to move for the suspension of the Standing Orders, and then to proceed with the business.

The PREMIER: I realise that I cannot proceed with my motion if any member dissents. My motion now is that the matter be proceeded with. If any member of the House objects, I will give notice in the ordinary way; if no one objects, I shall proceed with a few introductory remarks.

Mr. SPEAKER: It really amounts to the suspension of the Standing Orders. The motion will really test the feeling of the House as to whether members will suspend the Standing Orders. I submit to the Premier that the better way would be to move for the suspension of the Standing Orders, and then to proceed in the ordinary way.

Hon. C. G. Latham: If the Premier does not succeed, he can give notice in the usual manner.

The PREMIER: The motion is the ordinary one that is introduced towards the end of the session, and will enable the various stages of a Bill to be taken at the one sitting. We are approaching the end of the session, and messages will be passing between the two branches of the Legislature. The passing of the motion will enable business to be proceeded with expeditiously. If we have to follow the formal procedure, three or four days may be occupied in dealing with a Bill because of the necessity for messages passing to and fro. I assure the House that the Government has already introduced all its major Bills. I do not think there remains one Bill of any importance to be introduced after to-day. The usual Bills that are introduced towards the end of a session will be placed before members, including a measure for the revocation of portions of State forests, a road closure Bill, if there is to be one, and a reserves Bill, which, as members are aware, are always left to the very last. Then, of course, there is the Land Act Amendment Bill to deal with pastoral leases.

Hon. C. G. Latham: That is a continuance Bill.

The PREMIER: Yes.

The Minister for Lands: There will be one or two new clauses in the Bill this session, but they will not be contentious.

The PREMIER: There will be no further Bills to which members can take exception. If the Leader of the Opposition desires notice of any measure or postponement of the consideration of a Bill for a day, I shall meet his wishes.

Mr. SPEAKER: The question before the House is that so much of the Standing Orders be suspended as will permit motions submitted to be considered forthwith.

HON. C. G. LATHAM (York) [4.38]: I know the motion is the usual one introduced towards the end of the session, but I am afraid that if I agree to the suspension of the Standing Orders, something similar may occur to what happened last session. While I have no objection to the suspension of the Standing Orders to permit the Government passing its legislation through all stages provided the House understands what that legislation is, I hope the Premier will agree that members will have a proper opportunity to consider Bills. I am somewhat fearful about the matter. For instance, the Bread Bill was introduced for consideration at a late hour, and members did not quite realise the effect that measure would have on the public. I realised at the time that the Bill could not be considered properly, and the fact that it is to be amended this session shows that it was an ill-conceived piece of legislation. I am reluctant to agree to the suspension of the Standing Orders because of that fact. We have had time to give some consideration to the Bills before us. I do not suggest we agree to all the Bills listed on the notice paper, but members have had a reasonable time to give attention to them. That is all, I think, that can be expected of the House. I am concerned about new Bills being introduced, or about Bills coming from the other House that we have not had an opportunity to discuss. The Bread Act Amendment Bill last year was introduced early in the morning. I had an advance copy from another place, but amendments were moved of which I had no knowledge. It was impossible for me to have such knowledge because the committee and third reading stages were disposed of in half an hour. The Bill was forwarded to this House and in the limited time available members were unable to give proper consideration to it.

We are aware, of course, that a reserves Bill, a road closure Bill, and a motion for the partial revocation of the dedication of State forests, have yet to be brought before the House, together with the Land Act Amendment Bill—a continuance measure dealing with pastoral leases. The Minister for Lands, by interjection, has informed us that amendments are to be made to the

Land Act. We should like to have an opportunity to look at them and at the proposals in the other measures. I do not desire to hold up the business of the House, but I am here on behalf of His Majesty's Opposition to ensure that legislation is given consideration. I am sorry that I must oppose the motion on this occasion. I am aware that the Premier, by giving notice to-day, can have the motion passed to-morrow, because he has a majority. If the Premier can give me an assurance that no Bill will be introduced without the House having an opportunity to discuss it fully, I will offer no opposition, but this is a very serious matter. There is no doubt that the Bread Act Amendment Bill that was introduced late last session was a ridiculous piece of legislation, inasmuch as we prohibited the sale of bread after 7 o'clock at night under penalty of a fine of £10. I shall not agree to any more legislation of that description passing through this House while I occupy the position of Leader of the Opposition. If the Premier gives an undertaking that no Bills will be introduced without our having an opportunity to discuss them fully, and that the same procedure will not be adopted this session as was adopted last session, I shall be prepared to agree to the suspension of the Standing Orders.

MR. McDONALD (West Perth) [4.43]: Nobody desires to delay the passage of legislation at this stage of the session and the Premier is anxious to facilitate the clearance of the notice paper. I cannot help feeling, however, that there is room for objection to a motion of this kind in view of the state of the business to-day. There is a number of important Bills the second reading debates on which have only begun, and there are others that have only been introduced and have not reached the second reading stage, and consequently have not been circulated or explained. For instance, the Municipal Corporations Act Amendment Bill has not been circulated, nor has the Bill to provide for third party insurance. The latter concerns not only this House but the general public. It is very desirable, as the Premier knows much better than I, that people throughout the State, and not merely the residents of Perth, should have an opportunity of knowing the contents of the various Bills in order that they may make representations to members of the House concerning those Bills. To suspend the Standing Orders at the present stage of the session, when important Bills have only just been introduced and have not been circulated, does not seem to me to be giving that consideration to the public that it is entitled to receive.

THE PREMIER (Hon. J. C. Willcock—Geraldton—in reply) [4.45]: I agree with the Leader of the Opposition and the Leader of the National Party. Unless it cannot possibly be avoided, for Parliament to deal with legislation without having time properly to consider it, is bad business. It is neither fair nor just to the people generally that, behind their backs so to speak, legislation should be rushed through the House. Since it is the aim of the Government to close the session at the end of next week, the intention is for every single piece of Government legislation at least to have been introduced by to-day or to-morrow, so that there will be at least four or five sitting days in which to consider new Bills before the session terminates. I have no hesitation whatever in giving the assurance desired that if the Leader of the Opposition wishes at any stage to have the consideration of any new legislation adjourned for a day or two, I will not oppose his suggestion. I agree with him that members should have time in which to consider various Bills.

Question put and passed.

MOTION—GOVERNMENT BUSINESS, PRECEDENCE.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.46]: I move—

> That for the remainder of the session Government business shall take precedence of all motions and orders of the day on Wednesday as on all other days.

HON. C. G. LATHAM (York) [4.47]: There is very little private members' business on the notice paper and I hope the Premier will give the usual undertaking that private members will have an opportunity of bringing forward their business.

The Premier: The business on the notice paper?

Hon. C. G. LATHAM: Yes, and also any new legislation they may desire to introduce.

THE PREMIER (Hon. J. C. Willcock—Geraldton—in reply) [4.48]: I am quite prepared to give the assurance desired. When the stage is reached at which private members' business would ordinarily be dealt with, Government legislation may have to be considered, but I will give private members every opportunity to discuss their business.

Question put and passed.

BILL—FRIENDLY SOCIETIES ACT AMENDMENT.

Received from the Council and read a first time.

QUESTIONS (2)—RAILWAYS.

Newcastle Coal.

Mr. NULSEN asked the Minister for Railways: 1, As the answer to my question on the 30th November shows that 3,700 tons of Newcastle coal were used by the Government railways within the area of which Esperance is the natural port, would it not be more economical for the Railway Department to arrange that the coal be landed at Esperance, more especially as cargo steamers from Newcastle now call there? 2, Is it a fact that Newcastle coal at present used by trains leaving Esperance, was originally landed at Fremantle and hauled from there to Esperance, a rail distance of 597 miles?

The MINISTER FOR RAILWAYS replied: 1, The position will be tested by calling for alternative quotes, including Esperance. 2, Yes.

QUESTION—TRAMWAYS.

South Perth Service, Trolley Buses.

Mr. CROSS asked the Minister for Railways: 1, Is he aware that South Perth residents are very dissatisfied with the present tramway service? 2, Has he called for a departmental report, with a view to improving the service? 3, If so, when will the report be available? 4, Is he aware that trolley buses give a considerably better and more efficient service? 5, Is it a fact that trolley bus running costs per mile are several pence cheaper than those of trams? 6, Has consideration been given to converting the South Perth-Como tram service to a trolley bus service? 7, If so, when will the changeover be effected?

The MINISTER FOR RAILWAYS replied: 1, Some dissatisfaction has been expressed. 2, The matter is already under investigation—see report of Commissioner of Railways, 1938, paragraph 70. 3, Early in the new year. 4, Yes, under certain conditions. 5, Yes. 6, See answer to No. 2. 7, See answer to No. 2.

QUESTION—BROADCASTING.

Appointment of Part-time Choral Director.

Mr. McDONALD (without notice) asked the Minister for Education: Arising out of a deputation received by the Minister concerning the appointment of an officer of the State Public Service as part-time choral director at the Perth National Broadcasting Station, will the Minister be good enough to lay the file dealing with the matter upon the Table of the House.

The MINISTER FOR EDUCATION replied: In anticipation of the hon. member's question, I have brought the papers with me, and have no hesitation in laying them on the Table of the House.

BILLS (2)—THIRD READING.

1. Native Flora Protection Act Amendment.

2. Financial Emergency Act Amendment.

Transmitted to the Council.

BILL—INCOME TAX ASSESSMENT ACT AMENDMENT (No. 2).

Report, etc.

Report of Committee adopted.

Bill read a third time and transmitted to the Council.

BILL—YORK CEMETERIES ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet [4.55] in moving

the second reading said: This Bill has been brought down to meet a situation that cannot be met by any of the existing legislation. Section 3 of the principal Act of 1933 provides that the York Public Cemetery shall be placed under the control of the York Municipal Council as trustee. The council and the York Road Board now desire that the burial ground shall be placed under their joint control, and propose to appoint three members of the council and three members of the road board as trustees. The Bill provides for carrying that intention into effect. It also provides that the funds of the road board and of the council may be utilised for the maintenance and improvement of the cemetery. As there is complete agreement between the two parties concerned as to the future control of the cemetery, and as the department has approved of the proposal, I move—

That the Bill be now read a second time.

HON. C. G. LATHAM (York) [4.58]: I have no objection to the Bill. The history of the York Cemetery is such as to necessitate the passing of legislation of this kind. Many of the trustees of the churches in whom the land has been vested have left the district, and some have indeed passed away. Actually there is no control over the cemetery. The present Minister for Lands brought down a Bill to place the burial ground under the control of the municipality. It was necessary that some local control over the land itself should be instituted. The municipal council then found that it was paying for all the upkeep of the cemetery, notwithstanding that it was used for inhabitants of the road board district as well as for the townspeople. Under the Roads Districts Act the road board has no power to spend money in a territory that does not belong to it. A conference was accordingly held between the two local authorities interested, and they came to a unanimous decision to request the Government to submit legislation to provide for joint control by them of the cemetery, and also for power to use their funds, subject to Government approval, to keep the cemetery in appropriate order. A vast improvement has been effected to this area, and to-day the cemetery may be said to be in keeping with the respect that should be associated with the burial of the dead. I support wholeheartedly the measure, and am glad that it has been brought down this session.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and transmitted to the Council.

BILL—TRAFFIC ACT AMENDMENT.

Second Reading.

THE MINISTER FOR WORKS (Hon. H. Millington—Mt. Hawthorn) [5.0] in moving the second reading said: The measure now before the House has been introduced in response to requests extending over several years from numerous organisations including the Royal Automobile Club—representing the motorists who will have to foot the bill—various hospital authorities, the Commissioner of Police, and the Road Boards Association.

The general principle embodied in the Bill is that before a license can be issued a policy of insurance must be taken out by the owner of every motor vehicle, which will cover the legal liability of any person driving the vehicle—whether lawfully or unlawfully—in the event of death or bodily injury occurring to any third person. The Bill does not cover damage to property. Policies taken out in pursuance of this measure may also exclude the spouse of the vehicle owner, all his relations to a fourth degree, his servants and persons in the motor vehicle. Special provision is made in regard to vehicles carrying passengers for hire. Broadly speaking, the major sections of the public covered by the Bill are pedestrians and push cyclists. The insurance will follow the car whether or not driven by the owner or authorised person. Members will agree that whilst the effective control of traffic for the purpose of preventing injury to persons by motor traffic is of paramount importance, it is impossible entirely to eliminate such unfortunate occurrences, and it is therefore only reasonable and proper that

the owner of the vehicle should be required in the public interest, to place himself in a position adequately to compensate the injured person. It is a recognised natural law that progress invests itself with unavoidable conditions and liabilities and, in the opinion of many authorities, the liability now sought to be covered is a social responsibility rightly devolving upon the owner of the modern motor vehicle.

It is well known that in many cases of injury to third persons, caused purely by the negligence of the driver of the vehicle, the injured persons have been unable to recover any hospital or medical expenses, or compensation for permanent injury, owing to the fact that the owner of the vehicle was financially unable to pay and was not insured.

In presenting a similar Bill to the South Australian Parliament in 1936, the Minister in charge stated that a special committee appointed to investigate road traffic problems in that State had reported that £29,000 worth of verdicts had been awarded to injured persons by the Court and had never been paid because defendants had no money and were not insured. I have endeavoured to obtain similar information relating to this State, but was informed that it would take at least two or three months' search and inquiry to arrive at anything like a reasonably approximate figure. There has been urgent requests for a Bill of this description.

Hon. C. G. Latham: They have been urgent for a long while.

The MINISTER FOR WORKS: When the need was so widely recognised, it might be asked why action had not been taken previously. A study of the subject revealed that it was rather a complicated problem and Ministers of various Governments in this State decided to "hasten slowly" and to wait until the more populous States of Australia had given the principle a fair trial. Any scheme must be fair both to the public and the motorists and be open, as little as possible, to abuse by any section of the community.

Somewhat similar laws have now been in operation in England, New Zealand, Queensland, and Tasmania for some years, and in 1936 the South Australian Parliament enacted a compulsory third party insurance Act—proclaimed as from the 1st April, 1937—following an exhaustive investigation by a special committee on road transport. I am informed by the Premier of New South Wales that a Bill is now in course of drafting in that State and that copies will be forwarded to me in the near future. The Victorian Government is also seriously considering the subject for the purpose of introducing legislation.

The various Parliaments of Australia, it is reasonably urged should aim at uniformity. The Bill now presented is based on the provisions of the South Australian Act which is somewhat similar to those operating in Queensland and Tasmania.

During recent years hospital authorities have often directed attention to the losses incurred by them in treating motor injury cases owing to neither the injured persons nor the motor vehicle owners being in a position to pay the hospital expenses. Provision is made in the Bill to meet this unsatisfactory position. For the year ended the 30th June last the Perth Hospital treated 251 motor accident in-patient cases. The fees charged amounted to £4,471, and the fees paid totalled £797. The amount estimated as collectable is £792—and the uncollectable balance £2,881. For the previous year, 218 in-patient cases were treated at a cost of £3,550 and the cash received totalled £1,350.

Whilst the Bill does not seek to cover all motor accidents, the position of the hospitals should be materially improved. On the 24th of last month I received a telegram from the Adelaide Hospital Board stating that the Act had proved beneficial.

On the 30th June, 1937, the number of motor vehicles licensed in Western Australia totalled 61,076, equivalent to 134 for each 1,000 of the population. In South Australia at the same date, the number licensed was 78,939 with the same quota per thousand of population as in Western Australia. In Queensland the number was 111,765 vehicles, equal to 112 per 1,000 of the population. Information as to the number of vehicles actually covered at the present time in Western Australia for third party risks is not available, but it has been stated by a leading insurance authority that probably only 50 per cent. of the motor vehicles on the roads are so covered.

The total number of traffic accidents occurring in all parts of the world is absolutely

alarming. I have extracted from the Commonwealth "Bureau of Census and Statistics Bulletin No. 28" the following information for the year 1936-1937:—

State or Territory.	*Total Accidents Registered, and Persons Killed or Injured.								
	Accidents.	Persons Killed.	Persons Injured.	Per 1,000 of Mean Population.			Per 100 Motor Vehicles Registered.		
				Accidents.	Persons Killed.	Persons Injured.	Accidents.	Persons Killed.	Persons Injured.
N.S.W. ...	11,460	543	7,684	4·28	0·20	2·87	4·08	0·19	2·74
Vic.	17,822	430	6,949	9·62	0·23	3·75	7·63	0·18	2·98
Q'land ...	7,600	135	3,195	7·72	0·14	3·25	6·80	0·12	2·86
S.A.	7,550	103	3,125	12·83	0·18	5·31	9·56	0·13	3·96
W.A. ...	4,731	123	924	10·47	0·27	2·04	7·75	0·20	1·51
Tas.	3,714	51	1,045	16·01	0·22	4·51	16·38	0·22	4·61
Fed. Capital Territory ...	50	2	18	5·00	0·20	1·80	2·87	0·11	1·03
Total ...	52,927	1,387	22,940	7·78	0·20	3·37	6·70	0·18	2·90

* Figures in respect of accidents registered are not entirely comparable throughout the Commonwealth, as some States, like New South Wales, have not enforced the reporting of minor accidents, while others, like Victoria, require that all accidents should be reported.

Now, comparing South Australia with Western Australia—and this is highly important—it will be noted that in South Australia there were 103 person killed and in Western Australia 123 person killed, whilst persons injured in South Australia totalled 3,125 against 924 in Western Australia. In South Australia the number of accidents per 1,000 mean population equalled 12.83 and in Western Australia 10.47, whilst the number of accidents per 100 motor vehicles registered in South Australia was 9.56 and Western Australia 7.75. I would here like to quote some statistics taken from the annual reports of the Commissioner of Police relating to accidents to pedestrians and push cyclists in this State—

WHOLE STATE (WESTERN AUSTRALIA).

Accidents to Pedestrians and Push Cyclists.

(Figures supplied by Commissioner of Police.)

Year.	Pedestrians.		Push Cyclists.		Total.
	Killed.	Injured.	Killed.	Injured.	
1935-36	31	347	6	187	571
1936-37	26	222	11	142	401
1937-38	31	123	6	58	218

For the year 1937-38 it is stated that of the 31 pedestrians killed, 17 of the deaths were caused by the negligence of drivers; and of the 123 injured, 31 were owing to the drivers' negligence.

The following information relating to South Australia for the year 1936-1937 has been extracted from the Commonwealth Transport Bulletin No. 28—

South Australia.

Accidents to Pedestrians and Cyclists (by collision with any other object).

Year 1936-37—Extract from Return No. 40: Commonwealth Transport Bulletin No. 28.

Cyclists—	
Killed	15
Injured	1,942
Pedestrians—	
Killed	27
Injured	569
Total	1,653

In relation to the very important matter of premiums to be charged to motor owners, provision is made in the Bill for the appointment of a premiums committee comprising the Auditor General as chairman, the Government Actuary, two persons representing motor vehicles, and two persons representing approved insurers. It is my intention, if the Bill becomes law, to call upon this committee to investigate and report as to what premiums are considered reasonable for the various classes of vehicles; and, provided a reasonable schedule is agreed to by insurers, the Bill would then be proclaimed —but not otherwise.

So far as private cars are concerned, the premiums charged in South Australia are 27s. 6d. if registered within 20 miles of the General Post Office, Adelaide, and 17s. 6d. elsewhere within the State. In Queensland the premium is 30s.; in Tasmania 25s; and in New Zealand it was recently increased from 17s. to 20s. I am advised that at least some of the variations in the premiums are caused by differences in the extent of cover required under the different Acts. For the further information of members, I will now give some further particulars of premiums charged in South Australia, this Bill being based on the South Australian statute.

SOUTH AUSTRALIA.

Premiums to cover Liability imposed under the Road Traffic Acts, 1934 and 1936.

Class of Vehicle.	District A. (within 20 miles of G.P.O., Adelaide.)	District B. (elsewhere).
	£ s. d.	£ s. d.
Private Car	1 7 6	0 17 6
Class "A"—Business Car (Private Type Vehicle)	3 10 0	1 0 0
Class "B"—Goods-carrying Vehicles (Trucks, Vans, etc.)	2 5 0	2 0 0
Primary Producers Farmers' Vehicles	2 5 0	1 0 0
Class "C" Hire Vehicles—Private Hire Cars and other Hire Vehicles, including Undertakers' Vehicles carrying passengers (Up to 7 passengers)	5 0 0	5 0 0
Service Cars and Buses—		
Up to 7 passengers	6 0 0	6 0 0
Plus per seat in excess of 7	0 10 0	0 10 0
Note.—Cars carrying mail and passengers to be classified as Service Cars.		
Taxi Meter Cars	10 0 0	10 0 0
Private Motor Cycles	1 5 0	1 0 0
Business Motor Cycles	2 5 0	1 5 0
Visiting Vehicles—		
Private Motor Cars and Cycles	2/6 plus 1/- per week after first week.	
Business Motor Cars and Cycles	5/- plus 2/6 per week after first week.	
Trucks	5/- plus 2/6 per week after first week.	
All other Vehicles except Hire Vehicles	2/6 plus 1/- per week after first week (with a Maximum Premium as per Class.)	

We had to have something on which a comparison could be based, so that the insurance companies might be able to quote. Therefore we were obliged not only to take the South Australian Act as a guide, but also to introduce a measure on similar lines to that statute, in order that the insurance companies might be able to tell us how much they proposed to charge motorists for third-party insurance here. I had to give the House those figures, because it is on them the premiums are based; and that is the important feature of the Bill, affording a basis on which calculations can be made.

Preliminary inquiries made on my instructions by the Government Actuary and the Under Secretary for Works indicate that premium rates somewhat in excess of those now operating in South Australia might be justified in Western Australia, having regard to the rather striking increases in the average amount per claim settled under comprehensive policies in this State as compared with South Australia. The officers making the preliminary inquiries admit, however, that the data available at the present time is incomplete, and not altogether convincing. Full information as to the "experience" under the South Australian premium rates should shortly be available for the use and guidance of the premiums committee.

In response to my request for a definite premium rate for Western Australia, the Underwriters' Association has offered to accept the risk under an Act similar to that operating in South Australia, with a 20 per cent. increase on the South Australian premiums, subject to the schedule being reviewed by the premiums committee at the end of the first year's operations, when it might be possible to reduce, or it might be necessary to increase, the premiums.

Mr. Stubbs: Twenty per cent. increase?

The MINISTER FOR WORKS: That is the best offer the insurance companies will make. Comprehensive policy premiums here are based on higher rates than those obtaining in South Australia. Insurance companies here say they cannot quote lower rates. The Government has tried to drive the best bargain possible with the companies operating in Western Australia, and this is the best bargain the Government has been able to get. I now have to tell the House in the plainest possible language measure what the basis will be under the Bill if enacted. A 20 per cent. increase on the South Australian rate of 27s. 6d. for the metropolitan area would result in an annual premium in the Perth metropolitan area of 33s. The Underwriters' Association would, however, prefer an investigation by the suggested statutory committee before the proclamation of the Act.

Apart from the private cars, there are a number of other classes of vehicles—passenger and goods carrying; and, having regard to all the circumstances, I am of opinion that it would be preferable to allow the matter of premiums to be investigated and determined after a full inquiry by the Premiums Revision Committee to be appointed under the Act, and that the pro-

clamation of the Act be deferred until a satisfactory schedule has been approved. To this extent I am asking the House to have confidence in the Minister. The Premier of South Australia was in an exactly similar position when introducing his Bill, as he had no definite figure to give the House. He stated that "the premium might be £1 or 25s." Actually, after inquiry by the committee constituted under the South Australian Act, a metropolitan rate of 27s. 6d. was charged on private cars.

Mr. Sleeman: Is that the rate now prevailing in South Australia?

The MINISTER FOR WORKS: Yes. It has not yet been in force for 12 months. The standard third-party policy operating in this State covers a much wider scope than that prescribed in the Bill and covers damage to property in addition to persons. Premiums charged for the standard cover are:—

Metropolitan Area	£3	10	0
Goldfields Areas	3	15	0
Elsewhere	3	0	0

The important thing is that motorists should understand just exactly what is proposed by the Bill. I made the closest inquiry from the insurance companies; and it appears that no one in a motor vehicle will be insured. Let members understand that. The third-party insurance about which we hear so much will cover pedestrians and persons on footpaths.

Mr. Marshall: What would happen if a person were on a scooter?

The MINISTER FOR WORKS: A scooter is not a vehicle within the meaning of the Traffic Act. I desire owners of motor vehicles to understand exactly to what extent they will be affected by the Bill. If the House desires to fix more liberal terms, then it will be necessary to make fresh arrangements with the insurance companies as to the premiums to be paid. The offer I have mentioned is their best and final one.

Mr. Marshall: Does the Bill make the insurance compulsory?

The MINISTER FOR WORKS: Yes. Of course, if a person is desirous of taking out a comprehensive policy, he is at liberty to do so. It is not proposed to compel people to take out an insurance against damage to property. This Bill deals merely with insurance against injury to or loss of life of a third person. A motorist will be compelled to take out the insurance before he is granted a license.

Hon. C. G. Latham: Is the rate 27s. per £100?

The MINISTER FOR WORKS: That is the full cost of the policy.

Mr. Hughes: Is the limit £1,000?

The MINISTER FOR WORKS: No. There is no limit so far as a private car is concerned. For a passenger vehicle the limit is £20,000.

Mr. Styants: The premium for a comprehensive policy is £9 5s. per £100.

The MINISTER FOR WORKS: Yes. So that members may thoroughly understand the Bill, the Solicitor General has furnished the following explanation:—

The primary object is to make provision in the Traffic Act 1919-1935 for compulsory insurance against third-party risks arising out of the use of motor vehicles. This is done by inserting in the principal Act a new Part IV A and repealing Section 57 of the Act. The insertion of this new part renders necessary certain consequential amendments in other sections of the Act. The most important consequential amendments thus rendered necessary are contained in clause 4 (amending section 9) and clause 6 (inserting new section 13A). The effect of the amendment of section 9 of the Act is to discontinue the standard licensing period from 1st July to 30th June with a right to license for half of that period, and to enable owners of vehicles to license for six months at their option, such licensing period running from the date when the application for the license is made. This change is necessary to enable the required compulsory insurance to be co-ordinated with the period for which the vehicle is licensed.

The proposed new section 13A is taken from the South Australian Road Traffic Act, 1934-1936, Section 8B, which is an original section, and provides for proof of the necessary insurance having been obtained in respect of a vehicle before any license for such vehicle is granted. The provisions relating to third party insurance will all be contained in the proposed new Part IV A set forth in clause 9 of the Bill, which will contain sections to be numbered 55 to 71. Except where those sections are original or contain modifications to meet local requirements, all the sections are taken direct from the South Australian Road Traffic Acts 1934-1936 which, in turn, except where they contain new original sections and modifications to meet local conditions in South Australia, have been taken from the Imperial Acts, the Road Traffic Act 1930 (20 and 21 Geo. 5 c. 43) and the Road Traffic Act 1934 (24 and 25 Geo. 5 c. 50). In the Road Traffic Act 1930 (Imperial) the relevant sections are contained in Part II. of that Act, Sections 35 to 44; and in the Road Traffic Act 1934 (Im

perial) the relevant sections are contained in Part II. of that Act, Sections 10 to 17.

As the provisions of this Bill follow faithfully, except in a very few cases, the corresponding provisions of the South Australian Act, then insofar as the provisions of the South Australian Act differ from those of the said Imperial Acts, the provisions of this Bill differ to the same extent from the Imperial Acts.

Mr. Marshall: Why could not the Solicitor General have said that the Bill was in conformity with the South Australian Act?

The MINISTER FOR WORKS: There is a difference, just as there is a difference between the South Australian and the Imperial Acts. That difference must be explained. Our legal friends have to determine whether the Bill is in conformity with the South Australian Act. The Solicitor General's explanation continues—

The major differences between the provisions of this Bill and the provisions of the South Australian Act and so also the provisions of the Imperial Acts will be found in—

(a) Proposed new Section 56, Subsection (6), which relates to proposed new Section 68. Section 68 is expressly inserted in the Act so that in case insurance companies demand exorbitant rates of premium for third party insurance the Governor can suspend the operation of Part IV A and thus relieve motor vehicle owners of the obligation to obtain such insurance, and where such owners are relieved from such obligation, proof of such insurance antecedent to the grant of vehicle licenses will not be necessary. Neither Subsection (6) of Section 56, nor Section 68 has any corresponding provision in either the South Australian Act or the Imperial Acts.

(b) Proposed new Section 66, Subsection (4), which enables the Minister in certain specified circumstances to cancel the approval previously given to an insurer when such insurer has been convicted of refusing to furnish proper returns under Section 66. This provision has no corresponding provision in either the South Australian Act or the Imperial Acts.

(c) Proposed new Section 69, which requires one month's notice to be given by a claimant for damages before commencing action. There is no similar provision in either the South Australian Acts or the Imperial Acts but there are similar provisions in other Acts of this State, namely, the Government Railways Act, 1904.

(d) Proposed new Section 70, which enables insured persons and approved insurers to require injured persons claiming damages to submit to medical examination by the doctor of the insured person or of the approved insurer at the latter's expense. There is no similar provision either in the South Australian Act or the Imperial Acts, but there are similar provisions in the First Schedule to the Workers' Compensation Act of this State.

Apart from the major differences mentioned in the above paragraph, it can safely be said that the proposed new sections in Part IV A of the Bill are a true reflex of the corresponding law in South Australia, which for the most part is an adaptation of the corresponding law of the United Kingdom.

I wish again to point out that the insurance will follow the car whether or not driven by the owner or authorised person.

He states that the limit of compulsory cover for fare-paying passenger risk only is £2,000 for any one person—£20,000 for any one accident. The latter is in respect to fare-paying passenger vehicles. For other vehicles the cover is unlimited in regard to personal injury or death.

In regard to accidents in cases where the car involved cannot be identified, the injured person may sue a nominal defendant named by the Minister and any damages awarded will be borne by all approved insurers. This is important; it means that in the case of a hit-and-run motorist, his vehicle having been insured, a nominal defendant is named and the case being proven, the injured person can claim from the insurance company. All motor vehicles will be insured and so will be accepted in the comprehensive claim even where the motor that has done the damage has not been identified.

Mr. Sleeman: How will a man get on if he is hit by a drunken driver; will he be covered by insurance?

The MINISTER FOR WORKS: There will not be any doubt about the injured person being helped.

Hon. C. G. Latham: Are doctors in hospitals covered?

The MINISTER FOR WORKS: Yes. The important point that must be considered is that people have asked for third party insurance and, as I have pointed out, the law has operated successfully in New Zealand, Queensland, and South Australia, in the last named State since last year. It is necessary that the motorist should know what he is to be charged. This will be a compulsory levy on the motorist.

Mr. Hughes: Will it apply to pedestrians whether they are at fault or not?

The MINISTER FOR WORKS: That too is a matter on which we have had advice, but I think it will have to be shown that the driver was negligent.

Hon. C. G. Latham: That will be a nice point at law.

The MINISTER FOR WORKS: In South Australia, Queensland and New Zealand the insurance companies would pay, though they have not yet done so to a great extent. The figure mentioned is the minimum that must be taken up. In South Australia the courts of law have awarded damages to the extent of £29,000, but that total has not been paid because persons responsible for the accidents were not able to pay and that, I assume, was one reason why the Act was passed through our neighbouring Parliament.

Mr. Hughes: It would be as much in Western Australia, I suppose, if we went back five years.

The MINISTER FOR WORKS: As time goes on we will have more information than is in our possession now. In certain States every accident has to be reported, while in other States minor accidents are not reported. I have endeavoured to explain the meaning of the Bill and the effect it will have. I was stated to have remarked that I expected great things from the Bill. I did not say that. What I did say was that the people who asked for it hoped for great things. The more I consider the measure, the more I realise its limitations, but it has the advantage of protecting the third person, and being a compulsory measure, we must impose a minimum liability on the person that we compel to insure. The Bill will provide that every vehicle that goes on the road will not get a license until the owner shows that he has at least the third party insurance policy. I move—

That the Bill be now read a second time.

On motion by Mr. Boyle, debate adjourned.

BILL—WORKERS' HOMES ACT AMENDMENT.

Council's Amendment.

Amendment made by the Council now considered.

In Committee.

Mr. Sleeman in the Chair; the Premier in charge of the Bill.

Clause 3—Delete the words "the Governor" and substitute the word "Parliament"; consequentially substitute the word "Parliament" for the words "the Governor" in line 14 of page 3.

The PREMIER: The amendment made by the Legislative Council proposes to restrict borrowing by the Workers' Homes Board to the approval of Parliament instead of the approval of the Treasurer as we provided in the Bill as it left this House. The Government cannot agree to the amendment. I am advised by the Solicitor General that the only way that Parliament can give its approval to the Bill as it now stands is by a further Act of Parliament which would have to be passed on each occasion that the board desired to borrow. Practically speaking, therefore, we would be no better off with the Bill than without it. Moreover, under the amendment money which might be available to the board at the beginning of the year could not be utilised until Parliament sat and gave the necessary authority, perhaps some seven or eight months later. This money would be lost to the board as we could not expect that it would be kept waiting uninvested for that period of time, especially as there would always be a doubt as to whether the necessary authority could be obtained. I noticed last week that under the amending Commonwealth Bank Act, introduced by the Federal Government, it is proposed to establish a mortgage banking section which will be able to make advances to such institutions as Workers' Homes Boards, for housing purposes. When this is passed we might be in the position that the Workers' Homes Board is in need of funds, the Commonwealth Bank is prepared to make an advance and the Federal Treasurer approves of the board as an institution to which money can be made available; yet because it would be necessary to secure the authority of Parliament before the Board could borrow the money, we would have to lose the opportunity. The position would be no different without the Bill from what it would be with the Bill with the Council's amendment included. I do not know what is the Council's object.

I agree to some extent with the principle that Parliament should have some say with regard to money that is to be borrowed. On the other hand, we know what the Workers' Homes Board is and its history during the past 24 years. We know its financial results and the benefits that have accrued to the people. Its administration has been sound, almost conservative, since the inception. If there is one board to which Parliament should unhesitatingly extend its approval, it is the Workers' Homes Board. In one or two instances losses may have been incurred, but they have been more than counterbalanced by the administrative charges and sales. In the light of past experience, members need have no qualms about giving the Workers' Homes Board the right to borrow money for investment. Why should we say we cannot trust the board nor yet the Treasurer, but must insist upon Parliament's approval being secured for any loan, which may involve a delay of eight or nine months? When speaking on this matter earlier in the session I mentioned that if the Superannuation and Family Benefits Bill becomes law, the board that will be set up under that legislation will desire to invest money that will commence piling up almost immediately, and will probably wish to invest those funds in a sound financial institution like the Workers' Homes Board. No advantage whatever would be derived by accepting the Council's amendment, but every disadvantage, more especially as it would nullify the purpose of the Bill. I move—

That the amendment be not agreed to.

Hon. C. G. LATHAM: Before arriving at a decision, it is just as well for members to know something about the clause, which provides that the board may borrow on the recommendation of the Minister and with the approval of the Governor. The Minister has to make a recommendation, so the board will not be altogether free from political control. There should be some safeguard. As the clause stands, the board could go on the money market and borrow a sum equal to its total expenditure in the past and repay the Government, issuing bonds for the aggregate amount. The Premier will advise me if I am wrong, but I think I am right. I do not think any such thing was ever intended nor would it be wise. Members will see that part of the clause reads—

The board may from time to time on the recommendation of the Minister and with the approval of the Governor—

(b) create and issue debentures in exchange for the debentures issued in respect of moneys previously borrowed by the board and not repaid;

(c) create and issue and sell any such debentures for the purpose of raising money for redeeming any outstanding loans and paying any expenses incurred in the creation of debentures and otherwise carrying out the provisions of this Act.

The liabilities of the Workers' Homes Board amount to between £700,000 and £800,000. If we leave the clause as it stands the Minister could ask the board to borrow the total amount for which the Government has accepted responsibility and to repay that amount to the Government. I do not know whether the Premier realises that that is possible. I do not object to the board raising the money required each year or, say, £100,000, which would probably provide for requirements over a period of three years.

Mr. Marshall: Would you suggest that the board and the Government would agree to what you indicate, bearing in mind the sinking fund payments from the Federal Government?

Hon. C. G. LATHAM: But that sort of thing is being done in New South Wales. That shows what the Government could do.

Mr. Marshall: I was not referring to the Stevens Government.

Hon. C. G. LATHAM: The Stevens Government is a far better Government than the Government of this State.

The Premier: I am glad you say that with a smile.

Hon. C. G. LATHAM: If the Workers' Homes Board is to borrow £800,000, the approval of Parliament should be obtained.

Mr. Cross: How could the board do that when Parliament was not in session?

Hon. C. G. LATHAM: The board will never be in such a hurry as all that.

Mr. Cross: Time is the essence of the contract.

Hon. C. G. LATHAM: The Minister's——

Mr. Thorn: Magpie.

Hon. C. G. LATHAM: Apologist.

Mr. Cross: No, I am not.

Hon. C. G. LATHAM: The member for Canning knows that once a year Parliament

gives the Government authority to borrow the money it requires. There is no intervening period when the Government finds it necessary to rush out to secure more funds. The Workers' Homes Board works within its estimates, just as the Government does, and I consider Parliament should have control. Even now the officers of the Workers' Homes Board are not subject to Parliamentary control. We do not pass an authorisation for the payment of their salaries, yet now we are asked to agree to an open cheque that will allow the board to go on the money market and borrow what is required. That is a distinct departure from our usual procedure.

The Premier: What did your Government do under the Finance and Development Board Act?

Hon. C. G. LATHAM: We borrowed £500,000.

The Premier: What sort of a departure was that from ordinary procedure?

Hon. C. G. LATHAM: Even if we did make a mistake, the present Government repealed that Act.

The Premier: I know it was necessary at that time.

Hon. C. G. LATHAM: It was necessary in order to provide assistance for the farmers.

The Premier: Yes, that is so.

Hon. C. G. LATHAM: Perhaps it was an evasion of the agreement with the Federal Government, but while I do not suggest that that obtains in this instance, I want Parliament to control the loan situation year by year.

Mr. Marshall: Parliament had no control over the first borrowings for group settlement purposes.

Hon. C. G. LATHAM: Yes, a Bill was introduced every year so that Parliament did control the situation. At present we do not control quite a lot of expenditure including that in relation to main roads, hospitals and so on. I am sorry the Premier did not have the Bill drafted somewhat differently. I admit the Council's amendment is along the lines of one I moved in this Chamber——

The Premier: That is why it was moved in the Council.

Hon. C. G. LATHAM: I do not flatter myself to that extent, but in the circumstances I cannot support the Premier's motion.

Mr. CROSS: Many people are under the impression that the Council's amendment is a subtle move to defeat the object of the Bill. There is a great shortage of houses in the greater metropolitan area and elsewhere.

Hon. C. G. Latham: But the Workers' Homes Board has a surplus now.

Mr. CROSS: Some people have been waiting for two years to have their applications for workers' home accepted. Almost every day I am approached by people who want to know when this amending Bill will be proclaimed so that they can lodge applications for homes. This afternoon one of the leading business men in Perth asked me to do what I could to get the Bill through because a man he knows has two acres of land on which he wishes to build a home but is not in a position to finance the work himself.

Mr. Thorn: That sounds like a fairy tale!

Mr. CROSS: It is not. If the hon. member likes to see me later I will give him the names of the businessman and the other individual. What I say is perfectly genuine. That is not an isolated instance. It savours to me of the ridiculous that such contentions should be raised when everyone knows that the money is required. I cannot understand why the Leader of the Opposition and members of the Legislative Council suspect that the Government would do anything wrong.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. CROSS: In the greater metropolitan area are many families paying rents that are excessive. That steps should be taken to provide cheaper homes for the people is therefore imperative. The acceptance of the amendment would prevent that from taking place. More progress in building operations has occurred in my electorate in the last five or six years than previously, and there are more possibilities for the provision of residential buildings in my electorate than in any other portion of the greater metropolitan area. Whether one goes over the Canning Bridge towards Mt. Pleasant and behind the wireless station, where much development has taken place, or towards Mt. Henry, one will find considerable areas of cheap land available in close proximity to the city.

The CHAIRMAN: I hope the hon. member will connect his remarks with the amendment.

Mr. CROSS: If the amendment is accepted, the object of the Bill will be defeated. That object is to provide a greater number of workers' homes——

Mr. Warner: At Mt. Henry?

Mr. CROSS: ——in the greater metropolitan area particularly. This afternoon I toured around another part of my electorate, and I visualised the time when an area that is now almost virgin bush will contain rows of houses, and carry a fairly large population. I know that fact is appreciated by members of this Chamber. A man said to me this afternoon, "It is remarkable that people should go to Augusta when there is a beautiful spot like this at which they could camp, almost under the shadow of Mt. Henry." I told him that a gentleman of the Legislative Assembly, looking to the future, had obtained half a dozen blocks there. I am delighted to know that the hon. member has done so, and I hope the time will arrive when he will build there. I may tell him that tomorrow a start is to be made with clearing to provide a road to his blocks.

Hon. P. D. Ferguson: Who is the member?

Mr. CROSS: The member for Avon.

Hon. P. D. Ferguson: Is he in the Bill?

The CHAIRMAN: The member for Avon has nothing to do with the amendment, nor have the roads in the district of the member for Canning.

Mr. CROSS: I am hopeful that members of another place will become more reasonable, and will agree that the object of the Bill is to enable the board to obtain cheap money, and that the board will have restored to it the powers it previously enjoyed. I shall oppose the amendment.

Mr. McDONALD: I appreciate what the Premier has said, and that a difficulty does arise in practice in connection with money that the board may desire to raise under the Bill. However, I have some sympathy with what I take to be the views of the Legislative Council. This is the first Bill that has proposed to give power to a semi-governmental institution to borrow. It is a departure from previous practice. At least, I will not say it is a departure because I observe that the Premier is about to draw attention to a previous occasion. I understand, however, that the Act previously passed has been repealed, and I do not know of any other Acts under which semi-governmental institutions have power to borrow. We are proposing to make a start in a new direction, and in course of time we may find ourselves in a position similar to that in New South Wales, where considerable sums are borrowed by semi-governmental institutions.

The Premier: Municipal authorities and road boards are permitted to borrow.

Mr. McDONALD: Yes, but under rather stringent conditions. If municipal bodies or road boards desire to borrow, they have to run the gauntlet of a vote of the landowners in their district if a certain number requests that a vote be taken. When the Government proposes to borrow, Loan Estimates are put before the House, and theoretically, if not in practice, the House has some say as to how much shall be borrowed, or, which amounts to the same thing, how much shall be spent out of loan money. If the Government proposes to borrow a million pounds, and the House says that a lesser sum shall be spent, that will limit the amount of borrowing. When the State wants to borrow, the House is consulted by means of Loan Bills and Estimates, but when a semi-governmental institution desires to borrow, it does not have to refer to Parliament. It may have to refer to the Governor who is, in effect, the Government for the time being.

The Premier: He is responsible to Parliament.

Mr. McDONALD: Yes, after the event. The money may have been borrowed. As the Premier pointed out to-night, the board might borrow a large sum of money and by the time Parliament met it would be too late to veto the borrowing. Although the Council's amendment does represent a difficulty in the execution of the powers that the Bill seeks to confer on the board, it would be wise for Parliament to devise some machinery by which it could exercise control over the borrowing powers of this board—and over other semi-governmental authorities that might be formed—at all events equal to that which it exercises over its own borrowing.

Mr. Tonkin: Do you agree that if the Bill is passed with the amendment, each time the board desires to borrow a new Act will be required?

Mr. McDONALD: I think that would be so, and I admit it represents a difficulty; but whether approval should be given by

resolution of both Houses, or whether some other machinery or technique should be devised, I do think a principle is involved, and if this and other semi-governmental authorities in future are given borrowing powers, with no limit to the amounts to be borrowed, and no direction as to rates of interest or terms of the borrowing, we shall part with a considerable amount of the power over the State's indebtedness that Parliament now possesses, and should possess.

Mr. TONKIN: I hope the House will not agree to the amendment. I desire the board to have power to borrow now. It needs money at the present time, because its operations have been considerably restricted. As the member for Canning has said, the board has applications that would require two years to fulfil. There would have been a considerably larger number of applications but for the fact that people have ascertained that such a long time would elapse before they could obtain a home. The board has been starved for funds ever since its inception, and it has not been able to do the work it wanted to do. The amendment will not confer upon the board the power to borrow money now, but will defer that power until some future date, which may be considerably more than 12 months. I hope the Committee will not agree to the Council's amendment. The Leader of the Opposition spoke of danger that might arise if the operations of the board were not directly under the control of Parliament. He also suggested that the board might borrow money with a view to repaying to the Government what it owed. No self-respecting board would bow to the dictates of any Government and misuse the Act for such a purpose. The member for West Perth said he desired to facilitate the work of the board, but thought a difficulty would arise if the Council's amendment were agreed to. If we could find a way out of the difficulty, and leave the control in the hands of Parliament without in any way hampering the operations of the board, I would be quite satisfied. Workers' homes are in great demand and the department concerned should be given power to raise the requisite funds without delay.

Hon. N. KEENAN: We as a party are most anxious to assist the Workers' Homes Board in carrying out its operations. Proposed Section 6A, which the Council has amended, provides that "The board may from time to time, on the recommendation of the Minister and with the approval of the Governor" do certain things, inter alia, raise money. This shows an intention to control the operations of the board. The proposed new section really means that the board may borrow money with the approval of the Minister.

The Premier: And the approval of Cabinet.

Hon. N. KEENAN: Cabinet would not challenge a recommendation of the Minister.

The Premier: Would it not?

Hon. N. KEENAN: I cannot imagine that Cabinet would disagree with the recommendations of the Minister in control of the department. In this proposed new section we have another specimen of careless draftsmanship. Proposed Subsection 2 provides that before the raising of a loan, and before that is approved by the Governor, the board must submit its proposal to the Minister. Inasmuch as the very power to borrow is conditional upon the Minister recommending the proposal, it follows that the proposition must have been approved by him. In 999 cases out of a thousand the approval of the Minister or his recommendation is sufficient warranty for Executive Council. By placing a certain sum of money on the Loan Estimates, we could limit the borrowing powers of the board to a certain amount, leaving it to the board to spend the whole or only portion of the money.

Mr. Tonkin: That is a better method than the one proposed.

Hon. N. KEENAN: That method could be resorted to if parliamentary control was retained. But without the use of the word "Parliament," it could not be adopted. This would give the board complete freedom of action within reasonable limits.

Question put and passed; the Council's amendment not agreed to.

Resolution reported and the report adopted.

A committee consisting of Mr. McDonald, Mr. Tonkin and the Premier drew up reasons for not agreeing to the Council's amendment.

Reasons adopted and a message accordingly returned to the Council.

BILL—INCOME TAX (RATES FOR DEDUCTION).

In Committee.

Resumed from the 1st December. Mr. Sleeman in the Chair; the Premier in charge of the Bill.

Clause 2—Deductions from salary or wages authorised for and on account of income tax before assessment of such tax.

The CHAIRMAN: Progress was reported after this clause had been partly considered.

The PREMIER: I have referred to the Solicitor General the point raised on Thursday evening last by the member for Nedlands. I propose to read the opinion of that officer. It is as follows:—

Mr. Keenan has queried the correctness of the reference to the Assessment Act as contained in Clause 2 of the Bill, on the ground that income tax is not paid under the Assessment Act but is paid under the Act which imposes the rates of income tax, and suggests that in the said Clause 2 of the Bill the reference should be to the tax Act and not to the Assessment Act.

The complete answer to Mr. Keenan's objection will be found in Section 10 of the Income Tax Assessment Act 1937 and in the form of the provisions contained in the Annual Land and Income Tax Acts.

Section 10 of the Income Tax Assessment Act 1937 reads as follows:—

> Subject to this Act, income tax at the rates declared by Parliament shall be levied and paid, etc.

Thus the authority for levying and the obligation to pay income tax is contained in the Assessment Act, which also contains the provisions for the assessment of the amount of the income tax to be levied and paid for appeals against such assessment, and for the recovery of the income tax assessed to a taxpayer.

If you refer to the long title of the Income Tax Assessment Act, 1937, you will see that it is an Act to consolidate and amend the law relating to the imposition, assessment, and collection of a tax upon incomes.

If you refer to the Land Tax and Income Tax Act, 1937, you will find that by the long title it is an Act to impose a land tax and an income tax and fixes merely the rates of those taxes, but that the taxes so imposed are to be imposed and paid pursuant to and under the Assessment Act.

For example, Section 3 of the Land Tax Income Tax and Income Tax Act, 1937, provides as follows:—"Land tax and income tax are imposed at the several rates declared in this Act."

Section 4 (in relation to land tax) provides as follows:—Pursuant to the Land Tax and Income Tax Act and Income Tax Assessment Act, 1907, and its amendments . . . land tax is imposed at the rate specified in the first part of the schedule.

Section 5 (in relation to income tax to be paid by companies) reads as follows:—Unless and until Parliament otherwise determines for the year of assesment ending the thirtieth day of June, 1938, and for each year of assessment thereafter, the rates of income tax payable under the Income Tax Assessment Act, 1937, by companies on their taxable income and under Section 123 of that Act in respect of interest paid or credited by companies, etc.

Section 6 (in relation to income tax to be paid by taxpayers other than companies) reads as follows.—For the year of assessment ending the 30th day of June, 1938, income tax shall be payable under the Income Tax Assessment Act, 1937, etc.

If you compare the language of Clause 2 of the Bill you will find that it conforms strictly with the language used, not only in Section 10 of the Income Tax Assessment Act, 1937, but also with the language of Sections 5 and 6 of the Land Tax and Income Tax Act, 1937.

The said Clause 2 refers to income tax to be levied and paid under the Income Tax Assessment Act, 1937, which the Land Tax and Income Tax Act, 1937, expressly provides shall be payable under the said Assessment Act at the rates specified by the Tax Act.

I respectfully suggest, therefore, that there is no foundation for Mr. Keenan's criticism of Clause 2 of the Bill, that Clause 2 is correctly drafted in its present form, and that it should not be amended.

Clause 2 authorises deductions from salary or wages at the prescribed rates both on account of income tax which has already been imposed by the taxing Act, but is leviable and payable under the Assessment Act, and also on account of income tax which may be imposed by a taxing Act, but which will be leviable and payable under the Assessment Act.

The taxing Act itself imposes the tax and fixes the rate of same, but it also expressly provides that the tax so imposed is to be levied and paid under the Assessment Act.

The Income Tax Act itself fixes the rate and the tax is imposed and levied and paid under the provisions of the Assessment Act. If that be so, the wording of the clause would seem to be in consonance with the procedure always adopted under the Land and Income Tax Assessment Act.

Hon. N. KEENAN: It is quite correct to say that the tax is levied under the Assessment Act, but the rate is essentially a matter for the taxation measure. In the discharge of my duty I called attention to the matter and having done that I do not propose to go further except to repeat that it is perfectly clear that the clause dealing with the rate of income tax is essen-

tially a matter that must be referred to the taxation measure itself and not to the assessment measure.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

BILL—SUPERANNUATION AND FAMILY BENEFITS.

Second Reading.

Debate resumed from the 23rd November.

MR. NEEDHAM (Perth) [8.10]: I admit that while the Bill is welcome, it is somewhat belated. But the reasons for that are evident. It is part and parcel of the policy of the present Government and I understand it is the Government's desire that there should be enacted a measure such as this before the present session closes. In the course of his speech the Leader of the Opposition referred to the late appearance of the Bill. I remind him and other members that the Government for the past eight years has realised the necessity for a measure of this kind. Some time in 1934 I introduced a deputation to the then Premier (Hon. P. Collier). That deputation represented members of the civil service, railway officers, Teachers' Union and other organisations and it pointed out the need there was for bringing in a superannuation Bill. Mr. Collier recognised the necessity for such legislation but wisely pointed out that that was not an opportune time for introducing such a measure since the Government would have to contribute a certain amount of money and, as everyone knew, the State was then in the depths of the depression. Since then further representations have been made and during the 1936 elections it was announced that if the Government was returned to power a superannuation Bill would be introduced. The Bill is now before us. It will be a good thing for the Leader of the Opposition when the session is ended because during the past few weeks he seems to have been obsessed by the near approach of the general elections. It matters not what kind of Bill is introduced by the Government, the hon. member associates it with the approaching elections. I am sorry he is not in his seat at the moment.

Mr. Thorn: Don't worry, he is not far away.

Mr. NEEDHAM: The hon. member seems to think that but for the approach of the elections the progressive measure submitted by the Government would not have been brought down.

Mr. Thorn: He is pretty right too.

Mr. NEEDHAM: What with the hot weather and the approach of the elections, the hon. gentleman must be having an uncomfortable time.

Mr. Thorn: It seems to be having the same effect on you.

Mr. NEEDHAM: After drawing attention to the association of legislation with the approaching elections, the Leader of the Opposition sets out to make an election speech in some way or other, so as to let the people know that he himself will be asking for Parliamentary honours in a few weeks from now. The Leader of the Opposition, in the course of his address, pointed out certain defects in the Bill. Probably the measure does contain defects, but those people who are immediately and directly concerned have not been unaware of its contents. The representatives of various bodies interested have had an opportunity to discover those contents, and up to now at least have not lodged many protests against it.

Mr. Marshall: They have agitated for the Bill for years.

Mr. NEEDHAM: As the member for Murchison aptly interjects, they have agitated for it, and rightly too. It would be an excellent thing if the Bill had been enacted years ago. However, better late than never. As stated by the Premier, the Bill is based mainly on the Commonwealth Public Service Act. That statute has proved to be actuarially sound. Little fault has been found with it during the 16 years of its operation. It came into operation in October, 1922. However, there is a vital difference between the Commonwealth Act and the Bill now before this Chamber inasmuch as the Commonwealth Act is compulsory whereas the Bill is voluntary. Undoubtedly a vital difference exists between compulsion on the one hand and voluntaryism on the other.

Mr. Thorn: Which do you favour?

Mr. NEEDHAM: I will answer that pertinent question. My own view is that a compulsory measure would be better, especially for the younger members of the Government service. During the course of the second reading debate the member for Nedlands (Hon. N. Keenan) was somewhat anxious about the position of the Government employee in regard to "permanent capacity." He was anxious lest the interpretation placed upon an employee under the 1871 Act by the late Mr. Septimus Burt would not be applicable under this Bill. The hon. member was afraid that some such position would arise under the Bill as has arisen under the Act of 1871. He referred to persons employed on works financed out of loan moneys. He spoke of a person employed only for the purpose of carrying out a particular undertaking which had been authorised and for which money had been borrowed. He thought there was something like that in the famous Burt interpretation in the words "established capacity," which has governed the operation of the 1871 Act during the past 30 odd years. If the member for Nedlands will turn to page 283 of "Hansard" for 1937, he will find Mr. Septimus Burt's interpretation, which I quoted when speaking on the motion for a select committee to consider the question of wages men being entitled to the benefits of that Act. So far as I see, the Burt interpretation contains no such words as mentioned by the member for Nedlands. Therefore I do not think we need have any anxiety on that score. The definition of "employee" in the present Bill is practically on all fours with the definition in the Commonwealth Act, and preserves the rights of employees in Government service without in any way bringing them under the baneful influence of the Burt interpretation, if they were in the service prior to 1905.

Hon. N. Keenan: What is the definition in the Bill?

Mr. NEEDHAM: Of "employee"?

Hon. N. Keenan: Of "permanent employee."

Mr. NEEDHAM: The definition of "employee" reads—

"Employee" means a person employed under the State in a permanent capacity in any department, who is by the terms of his employment required to give his whole time to the duties of his employment, but does not include the Chief Justice or any Judge of the Supreme Court or the President or any member of the Court of Arbitration.

For the purposes of this definition—

(a) A person shall be deemed to be employed in a permanent capacity when he is regularly employed in the ordinary work of the department in which he is employed in circumstances which justify an expectation that, subject to good conduct and efficiency, his employment will be continuous and permanent;

(b) A person shall not been deemed to be employed in a permanent capacity when he is employed casually or in connection with a particular work or undertaking, the completion of which will put an end to his employment.

Hon. N. Keenan: What about a man employed on a loan work?

Mr. NEEDHAM: "Loan work" so far as I can ascertain does not necessarily mean casual employment. Loan moneys have been and are being expended on works where the State has permanent employees. I realise that the Bill does not intend to provide for casual employees of the Government, of whom there are a large number to-day. For instance, I cannot realise that the measure will provide for that army of men for whom we have been providing work during the depression years and are still providing work, the cost of which has been and is being defrayed from loan moneys. I refer to relief work. I do not think the Bill is intended to cover relief workers; at the same time, there are numerous men on Government works which are being carried out from loan moneys, such as the Canning Dam, for example, who will come under the operation of the Bill. Those men are permanently employed. I do not know that the Railway Workshops construct rolling stock, for instance, entirely from revenue; and certainly the employees at those workshops would come under the Bill.

Another feature to which the member for Nedlands addressed himself was the fund. I think he has some doubts as to its soundness. In that regard, all I can say is that here again the Bill is fashioned on practically the same lines as the Commonwealth Act of 1922. Part II. of that Act provides—

5.—(1) There shall be a superannuation fund, into which shall be paid the contributions of employees and payments by the Commonwealth under this Act; and from which shall be paid the benefits provided for in this Act. (2) Income derived from the investment of the fund shall form part thereof. (3) The income of the fund shall not be subject to taxation by the Commonwealth or a State.

6.—The fund shall, as far as practicable, be invested by the board—(a) in securities of the

Commonwealth; (b) in securities of the States; (c) in loans to local governing bodies in Australia; (d) upon mortgage of land in Australia of an estate of inheritance in fee simple or on mortgage of leasehold interest in such land; or (e) in any other manner for the time being allowed by any Act or State Act for the investment of trust funds in Australia.

Part III. of the Bill provides, by Clause 23—

(1) For the purposes of this Act there shall be a fund, to be called The Superannuation Fund, to be kept at the Treasury and to be administered by the Board, into which shall be paid the contributions of employees who become contributors or qualified contributors and payments by the State under this Act, and from which shall be paid the benefits provided for in this Act.

(2) Income derived from the investment of the fund shall form part thereof.

(3) The income of the fund shall not be subject to taxation by the State.

It will be seen that as regards the two points raised by the member for Nedlands, that of the question of permanent employment and that of the nature of the fund provided, there is little if any need for anxiety, both clauses of the Bill being being fashioned on the Commonwealth Act, which has stood the test of time, and, if my memory serves me rightly, has been amended only once during 16 years, by the consolidating measure of 1930. There is an amendment on the notice paper by the Leader of the Opposition relating to unmarried contributors, and I may mention here that the amending Commonwealth Act of 1930 provides that in the event of an unmarried contributor or a widower without children under 16 years of age dying before retirement, the contributions made by him shall be paid to his personal representatives or, failing them, such persons (if any) as the board may determine. That appears in the amendment to the Commonwealth measure; and possibly, if included in the Bill now before us, it would be an improvement. It is well known that for some years past, even previous to the advent of the Labour Government on the Treasury benches, successive Governments in this State have been approached by various organisations representing Government employees and requested to introduce superannuation legislation. At long last their wishes are gratified. If the Bill does not represent all that they desire, it is at least a step in the right direction. It will bring our State into line with other States so far as concerns our Government employees. I have always contended for a superannuation scheme to apply throughout the Commonwealth, not only to Government employees, but to all employees. I would like to see the time arrive when every man and every woman who has to earn his or her living for a reward of a small nature will receive a superannuation allowance upon attaining the retiring age. Many of our people have led laborious and exemplary lives, and have brought up children who are good citizens. They should not have to depend entirely upon the old-age pension. That is not a consummation devoutly to be wished by anyone. I think our democracy has advanced far enough to ensure that not only Government employees, but all employees should have something to fall back upon in their declining years, so that the evening of their lives may at least be comfortable. The time was when I welcomed with enthusiasm the old-age pension for people who had borne the brunt and fought the battle of life. Compared with present-day standards that we are endeavouring to maintain in our Commonwealth, the old-age pension is not very much. I would welcome a measure such as I have suggested, were it in the power of the Government to carry it through; but I regret that the Government cannot include all workers in a scheme for pensions.

Our civil servants undoubtedly have served the State loyally and efficiently. If their efficiency is to be maintained, it is essential that they should have a feeling of security for themselves and their dependants. The contention has often been advanced that because our civil servants have permanent employment, they should make provision from their salaries or wages for their declining years. Members are aware, however, that civil servants have scarcely enough to provide for to-day, let alone to make provision for to-morrow. As the member for Middle Swan interjected, the civil servant, having reared and educated a family, has nothing left. I understand that all the States, except Tasmania, have a superannuation scheme. Banks and insurance companies also have superannuation schemes; and I had the pleasure—I think in my first year of membership of this House—of piloting a Bill through this Chamber providing for a scheme of superannuation for the employees of the Perth City Council.

When introducing the measure, the Premier referred to the Superannuation Act, 1871, and to those who came under its provisions. He also made reference to the civil servants who had joined the service after the 17th April, 1905. He said—

> That could be accounted for in some way because of the liability that Western Australia undertook under the Superannuation Act of 1871. Parliament 33 or 34 years ago could see that under the liability which was being built up against the State, it would be impossible to carry on, and so it was that legislation was consequently passed debarring all those who entered the service after April, 1905.

That is quite true. That legislation was enacted in 1905. I had the honour to be a member of this Chamber at the time. But the legislation to which the Premier referred did not repeal the provisions of the Superannuation Act, 1871.

The Premier: It did, so far as future employees were concerned.

Mr. NEEDHAM: It did not repeal the provisions of that Act in relation to the employees who were appointed by the Government previous to that date. Under the 1871 Act, a contract was entered into with those employees which, so far as concerns a great number of them, has not and is not being honoured. I refer to the wage-earners.

The Premier: There were no contracts at all.

Mr. NEEDHAM: The Premier and I disagree. I have read the Act time and time again, and I contend that there is an explicit, not an implied, contract, that after a certain number of years a person employed in an established capacity in the civil service is entitled to superannuation at a certain rate.

Hon. N. Keenan: Did you read Section 12 of the Act?

Mr. NEEDHAM: Yes.

Hon. N. Keenan: What does that say?

Mr. NEEDHAM: I know it gives a right to the Executive to refuse; but other interpretations have been placed upon Section 12, even by the member for Nedlands himself when consulted upon this question. That section refers only to civil servants who have committed offences, and who are penalised by being deprived of a pension. I pointed that out on another occasion and so will not trespass too long on this occasion.

Mr. SPEAKER: I do not think the hon. member would be in order in doing so.

Mr. NEEDHAM: I have no intention of doing so. Let me, however, reply to the point raised by the member for Nedlands. My interpretation of Section 12 is not that Parliament passed the Act giving civil servants a right under one clause, and then entirely removed that right by another clause. I regret that men not now in the service of the State—their number is 425—are not receiving superannuation allowance. The Government has not seen fit to put into effect the recommendations of the select committee. I hope that before the close of the session the Government will realise that it should do so. This House has given its opinion on the point, and it would not cost a very large sum of money. The Government should look at the position from the prospective, not the retrospective, point of view. I realise that this Bill will allow civil servants who joined the service before 1905 either to claim their rights under the 1871 Act or to elect to come under the provisions of this proposed legislation. My desire has been and will continue to be for the wages men to acquire rights under the 1871 Act. I have nothing further to say, except to express the hope that the Bill will pass this House; and that, ere long, it will be in force and will give to those people who have been expecting it so long the needed justice to which they are entitled.

MR. McDONALD (West Perth) [8.43]: The member for Nedlands (Hon. N. Keenan) has expressed, on behalf of those who sit on these cross benches, the approval we desire to extend to this Bill so far as its principle is concerned. I agree with the member for Perth (Mr. Needham)—and it would be the sentiment of everybody—that we would wish to see all people safeguarded by an adequate pension when they reach old age. In the meantime, however, members of the Public Service have a special claim for adequate protection when they reach the retiring age. It is desirable, in the interests of the State, that they should have that protection, because they occupy a position of peculiar responsibility and trust. I hope, too, Mr. Speaker, that the Bill will make our Public Service more attractive, and that we shall not lose, as we have in past years, a considerable number of brilliant young men and women who have been induced by more favourable conditions to go to other parts of Australia and other parts

of the world. This piece of legislation, I appreciate, has represented no little difficulty in preparation. The Commonwealth Public Service started from scratch, but we have to take into account those who are entitled to benefits under the Superannuation Act of 1871. We have people like members of the police force, who for many decades have been contributors to a particular fund to provide for retiring allowances to themselves. As regards the public servants who did not come under the 1871 Act, they have been given a compassionate allowance amounting to a fortnight's pay for every year of service. This has been granted to them as a matter of grace, not as a matter of right, but they have now come to look upon it as something in which they claim a moral vested interest. So it is not easy to reconcile all these subjects. I wish to refer to several aspects of the Bill, some of which probably have already been brought before the Premier and which I hope will receive consideration at his hands. First, I understand he has been advised that the Bill will not cover the three members of the magistracy. Those gentlemen are in a peculiar position because their retiring age is 70 years and I believe there are some already over 65 and they will be entitled to serve until they reach the age of 70. So far as I can see, there is no provision by which they may participate under this legislation. It may be possible to make some provision by which they can derive a benefit from the Bill; at any rate if such a provision cannot be made for them, it may be possible to make it for their widows.

The Premier: Their contribution would be very high.

Mr. McDONALD: Yes, I shall come to that aspect. The Premier, in his second reading speech, pointed out that in the case of the older members of the service, the contributions prescribed by the Bill would be practically prohibitive. That is perfectly true. Although some relief is to be given to enable members of the service who are older in years to take up four units payable at the rate applicable to 30 years of age, at the same time that represents a small provision for their old age.

The Premier: Two pounds a week.

Mr. McDONALD: Yes; that is not to be despised, but in the case of senior officers who have been drawing big incomes, they naturally feel it would be fairer if they were entitled to come in at the rate that would yield to them £312 a year.

The Premier: A lot have gone out of the service without anything.

Hon. N. Keenan: They have had gratuities.

Mr. McDONALD: Take the case of an officer 60 years of age and who, for example, has had 37 years of service and is in receipt of about £600 per annum. This officer has no pension rights under the 1871 Act. Such an officer on retirement at the age of 64 or 65 would, under the present system, receive by way of compassionate allowance a sum of about £800 or £900, and, if long-service leave that had not been taken were added, the amount would probably be increased to about £1,200.

The Premier: He would get that anyway.

Mr. McDONALD: If such an officer elects to join this system of superannuation he loses his compassionate allowance of perhaps £900 and if, at the age of 60 years, he has to pay £250 per annum as his contribution towards a pension on his retirement, it will be almost prohibitive, as the Premier truly said when introducing the Bill. On the other hand, if the officer does not join the superannuation scheme, he loses his claim to the compassionate allowance of £800 or £900, the amount that he would have got if the Bill had not been introduced. At the same time he is practically unable to join the superannuation system because the payments, in view of his age, are practically prohibitive. Thus, he is on the horns of a dilemma. There are two ways by which such officers might do rather better: one is that they should be allowed to retain their rights to compassionate allowance or a part of it, or that they should be allowed to contribute at a lower age rate for a further number of units. At the present time an officer loses his right to a compassionate allowance of £800 or £900 and he is able to get payment only at the rate of £100 a year by contributions at the rate applicable to 30 years of age.

I wish to refer to the case of the police force. By an Act passed many years ago, in 1866 to be exact, provision was made for the establishment of a fund the object of which was to give a retiring allowance to a police officer equal to one month's pay for every year of service, provided the officer

served, I think, 25 years or more. This fund was built up by a compulsory contribution from each member of the police force and a similar contribution by the State. Moreover, in the early years the fund was augmented by handing over to it all the fines imposed in consequence of complaints laid by police constables. If that system had been continued, those fines would have represented a substantial figure, remembering that they would have been paid over a period of 50 or 60 years, and they would have raised the total to handsome proportions, particularly at the present time, when the police have been so active in a certain direction. But about 50 years ago that part of the Act that provided that all fines should be paid into the fund was repealed and contributions by police officers were increased. Every police officer was then compelled to pay 3 per cent. of the amount of his salary into the fund and the Crown paid a similar figure. I understand that the fund will not be able to meet all the demands that are to be made upon it. It turns out now that there is not sufficient money there to meet the demands. Those that will retire in the near future will no doubt be paid in full, but some officers who have had many years of service and who will be entitled to draw substantial amounts will probably not have their claims met. As I read it, the Superannuation Bill does not compel police officers to come into the scheme. An officer may elect to remain out of it and receive the benefit of his rights under the Police Benefit Fund. Those rights, however, may become somewhat shadowy. On the other hand, if a police officer comes into the scheme, he is credited against his future payments with the present value of his interest in the Police Benefit Fund, and if that present value is computed according to the existing state of the Police Benefit Fund, he will receive only that which the fund will be able to pay. I appreciate the difficulty of the Government inaugurating a contributory scheme of this kind to meet the demands of all sections of the Public Service. When I say demands, I do not wish to infer that members of the service are asking for anything unreasonable, anything to which they do not consider they have a claim. In many cases they are asking for nothing more than justice. I do think, however, that the two aspects to which I have referred should be considered—the position of the man who is over 60 years of age and the senior police officers or, in fact, all the police officers. Those two sections should receive further consideration. The police should be credited with the present value of the amount they should receive from the Police Benefit Fund, or alternatively, they might be given the privilege of taking additional units at a lower-age rate than their actual age rate. I should like to know whether the Treasurer has given consideration to the difficulties that have arisen. It is not an easy matter to deal with such a question, quite apart from the technical aspect as to whether any amendment can be moved by a private member, since it would increase the amount payable by the Crown. It would be difficult also, and probably unwise, for a private member to move an amendment dealing with the position affecting certain officers of the Public Service because such an action might have repercussions with regard to others in the service. One hesitates to suggest any specific amendment. I feel that Parliament will no doubt be in accord with the general principle underlying the Bill, but I hope the Premier will inform members whether he contemplates a review of the measure in the light of various aspects pointed out by public servants who feel they have not received the equitable treatment accorded others. Will it be possible during the next few months to give this matter further consideration, and deal with those phases by way of amending legislation? Is it proper to regard the Bill in one sense as provisional, and subject to the rectification of anomalies?

The Premier: Surely we will not be asked to get into the position prior to an election of having to bid for support!

Mr. McDONALD: No, that is the last thing I would wish to suggest.

The Premier: I thought so.

Mr. McDONALD: On the other hand, had the Bill been introduced earlier in the session, the fairest course would have been to refer it to a select committee, allow the Government Actuary to advise that body, and enable representations to be made by sections affected. We could have heard their views and presented any report that might have been deemed profitable to the Premier in his task of framing the amending legislation. Of course, I realise it is too late to do that now.

The Premier: Yes, it is. Anyway, the Bill is a start.

Mr. McDONALD: If we look upon the measure as a start, well and good.

The Premier: And all legislation is capable of amendment.

Mr. McDONALD: Yes, and perhaps we may take some profit from that reminder. We may even think there are certain phases of this legislation that may fairly and equitably be considered, not with an idea of imposing any unfair or excessive burden on the State or the public service, but of holding the scales fairly between the different classes of public servants within the limits of the financing of the scheme.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Sleeman in the Chair; the Premier in charge of the Bill.

Clauses 1 to 5—agreed to.

Clause 6—Interpretation:

Mr. NORTH: The definition of "department" refers to a Crown instrumentality. Will that cover those employed at the Public Library?

The PREMIER: I am not quite sure.

Mr. North: We vote their salaries in the Estimates.

The PREMIER: Money is appropriated by Parliament for the payment of their salaries, so in the circumstances I am pretty sure the definition will cover them.

Mr. NORTH: I move an amendment—

That the following words be added to paragraph (a) of the definition of "employee":—"and shall include employees, even those classified as temporary, who upon reaching the retiring age shall have served for 12 years continuously immediately prior thereto."

It is possible that the definition already covers the people I have in mind, but I wish to make certain on the point.

The CHAIRMAN: I cannot accept the amendment because it will impose a financial burden upon the community and an amendment having that effect cannot be moved by a private member.

The PREMIER: I move an amendment—

That in line 4 of the definition of "qualified contributor" the word and figure "Subsection (3)" be struck out and the word and figures "Subsections (2) and (4)" inserted in lieu.

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

Clauses 7 to 35—agreed to.

Clause 36—Scale of units of pension:

Mr. WATTS: I wish to move an amendment on behalf of the Leader of the Opposition, but I think an amendment standing in the name of the Premier affects an earlier part of the clause.

The PREMIER: That is so. I have been giving attention to this clause to-day and I find that several amendments are necessary. In the circumstances I move—

That the consideration of the clause be postponed.

Motion put and passed.

The clause postponed.

Clauses 37 to 82—agreed to.

Clause 83: Regulations:

Mr. NORTH: I should like to ask the Premier the difference between the words "election" and "choice" in line 2 of paragraph (c).

The PREMIER: I do not know that there is any difference. Sometimes legal phraseology is used to provide for all eventualities, and the Parliamentary draftsmen endeavour to take all contingencies into consideration. I do not know the reason for the employment of the two words, but it will do no harm.

Mr. Marshall: They are used to afford more opportunity for legal argument.

Clause put and passed.

Progress reported.

BILL—STATE TRANSPORT CO-ORDINATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 1st December.

HON. P. D. FERGUSON (Irwin-Moore) [9.22]: This is a Bill to amend the Transport Act of 1933. The parent Act was designed to co-ordinate all means of transport. That was the avowed objective of the Act and I think it can generally be conceded that up to a point it has had that effect. Admittedly there has been some unfair competition with the railways, but it should be remembered that the Act is not wholly a railway

preservation Act nor was it designed to annihilate all other forms of transport. There has been a tendency on the part of some people—and I am afraid on the part of some in authority—to bring about that state of affairs in the interests of the railways. I feel that the Bill is meant to filch from certain people benefits that they fought hard for when the original Bill was under consideration, and that were agreed to by Parliament and incorporated in the Act. I am not prepared to assist the Government, at least to the extent that this Bill contemplates, to remove those benefits, though I am anxious to help the Minister in his desire to effect any reasonable tightening up of the transport position and to remove any objec tionable anomalies that may exist, and no doubt there are one or two of these.

One clause of the Bill refers to the definition of "owner." It proposes to exclude the hirer of a vehicle. I support that amendment because I believe it is in this direction that some injustice is being done. Whilst I understand—and I consider it only right—that a person who is buying a vehicle under a hire-purchase agreement is entitled to be described as the owner, it is altogether wrong that any person who hires a vehicle from an individual should be entitled to protection under the Act, because his operation in that connection is not a legitimate one. No person who hires a vehicle from an individual letting out such vehicles is entitled to have his transport operations conducted on the basis that an ordinary owner of a vehicle enjoys in so far that he is entitled to have a license under a local governing body at a reduced rate and is not compelled to take out a license under the Transport Board. I do not think that the original legislation ever contemplated that, and it is fitting that the Minister should endeavour to secure that alteration in the definition of the word "owner."

Another clause provides for the finding of an approved bond by the successful tenderer for a transport service under the Transport Board. This is very necessary. It is conceivable, of course, that under certain conditions such as the failure of a contractor to fulfil his contract, his bond may be forfeited. That failure may cause a very serious loss and inconvenience to a lot of people. There may be very many settlers in the district. The Transport Board may arrange for the transport of the produce from the district, and after going to a lot of trouble in calling for tenders and selecting the most suitable tenderer, it might be faced with the fact that the contractor for some reason or other has failed to carry out the contract. Members will readily see that the transport of the whole of the wheat, wool or superphosphate requirements of the settlers may be left entirely unprovided for. That the Transport Board should have the right to insist upon an approved bond being provided by the contractor is essential. Provision is made for any bond forfeited to the board for any reason to be paid into a fund at the Treasury known as the Transport Co-ordination Fund, and that is the correct direction into which such forfeited bonds should go.

Clause 4 is the crux of the Bill, and I am afraid that I cannot see eye to eye with the Minister concerning it. The clause is very involved and if it were passed in its present form and became law it would lead to endless litigation. I do not know why legislation cannot be placed before us in simple everyday language that all of us can understand. I doubt very much whether the Minister who is sponsoring the Bill and who no doubt has made a close study of it and collaborated with his officers in connection with it, understands the clause. I have consulted more than one member of the legal fraternity; I have consulted officers of the local governing bodies' association; I have discussed it with road board chairmen, and have tried to fathom it myself, and I am not very clear about it at this moment. The clause deals mainly with community vehicles. I am absolutely in favour of the bona fide community truck. Where the farms are small and the produce is so limited as not to warrant the individual farmer in embarking upon the purchase of a truck in which to transport his goods to market, and his requirements back to his farm, it would be legitimate for several farmers to club together for the purchase of a truck on the co-operative basis. That would be a justifiable and commendable economy. It should be an act on the part of these producers of which Parliament could approve. When one man puts in £250, and fifty others put in a pound each for the purchase of a £300 truck, that is not legitimate co-operation, but an attempt to evade the Act. Such a practice is objectionable and should be stopped. To that extent the Minister is

entitled to all the assistance Parliament can give him.

Such a practice does not confer any benefit upon the legitimate producer by a reduction in his haulage costs. It also causes loss of revenue to the local authority and the Transport Board. Only one person benefits from that type of community truck, namely, the real owner, the man who puts in £250, and induces 50 other dummies to put in £1 each. This is called a community truck, and the local authority is asked to license it at the reduced rate. By this means the real owner avoids the payment of a license fee to the Transport Board.

Mr. Patrick: The £1 is not always put in.

Hon. D. P. FERGUSON: But I understand a receipt is given for it. I am opposed to such a practice, as are road boards in my electorate. The road boards conference carried a condemnatory motion to a similar effect, and urged that some solution of the difficulty should be found. I am afraid the proposals of the Minister go too far, and that I cannot support them. Section 33 of the Act provides certain exemptions from the necessity for licensing these trucks, and makes rather interesting reading. Section 32 states—

Subject to the exceptions stated in the next section, a commercial goods vehicle shall not operate on any road unless such vehicle is licensed in accordance with this Part.

Section 33 reads—

No license shall be necessary under the preceding section in respect of any commercial goods vehicle or trailer or semi-trailer which (a) operates solely in the area within a radius of fifteen miles from the General Post Office in Forrest Place, Perth: or (b) operates solely within a radius of fifteen miles from the place of business of the owner; or (c) is used solely for any of the purposes mentioned in the First Schedule of this Act.

The first two paragraphs of the last section I read mainly refer to business vehicles in and around the metropolitan area; but paragraph (c) refers to vehicles mentioned in the First Schedule, and this is where the Minister proposes to make certain amendments. The Act provides that a vehicle shall be exempt from the Transport Board license when it is used for any of the following purposes:—

The carriage of produce of farms or forests; the carriage of grain to a mill; the carriage of livestock, poultry, fruit, vegetables, dairy produce; the carriage of ore from mines; the carriage of produce between the station property of any person engaged in the pastoral industry and the railway station or town nearest to such property; the carriage of samples of goods for exhibition; the carriage of livestock to and from agricultural shows; the carriage of milk or cream to the nearest factory; the carriage of shearing employees and their luggage; as a feeder to or from any country railway station or siding.

If a vehicle is used for all or any of the purposes I have mentioned, the owner is not compelled to take out a license. By the Bill, the Minister proposes after the word "any" to insert the word "one." This is a means of endeavouring to filch away from the bona fide producer the right to run his vehicle free of license fee, and to prevent about 75 per cent. of them from enjoying that privilege. If this amendment were made, paragraph (c) would then read—

Is used solely for any one of the purposes mentioned in the First Schedule of this Act.

It is absurd to think that a man who uses a vehicle for the carriage of produce of a farm or forest shall be entitled to a free license, but if he uses the same vehicle for the carriage of his cream and milk he will have to pay. If he uses the vehicle for the carriage of livestock, it will be free, but if he uses it for any one of the other purposes, it will not be free. I doubt whether the Minister is aware of the effect this paragraph will have upon producers. Because of that I hope he will not insist upon its retention in the Bill.

In the clause I am now discussing there is a paragraph dealing mainly with community trucks. One paragraph provides that a community truck can be used only if all the partners in it are using it, and not one only. Of what use is it for partners to have a share in a truck if it cannot be used by all or any of them? Suppose there is a partnership in a truck, and the vehicle is sent to a siding or the nearest township with a load of produce belonging to two farmers who may be the owners of the truck. On the return journey, the vehicle may take back commodities for only one of the partners, whereupon the truck would immediately have to be licensed. It would be fair to say that if they carted produce from the farm to the nearest township, and on one day took super on the return journey to one farm belonging to one of the owners, and on the following day took super to the farm of the other owner, that should be sufficient to ensure that the

owners were entitled to a free license. According to the Bill, such a vehicle cannot be used unless on every trip it takes commodities for all the partners in the vehicle. That seems to me entirely impracticable, and I doubt whether it could be carried into operation. It would prevent any bona fide community truck from being run in farming districts. Surely Parliament did not intend that. Producers should be encouraged in so far as anything they do may make for the economic transport of commodities from the country districts.

The same clause provides that the person who is charged with an offence must prove his innocence. On every occasion when a Bill containing such a provision has come before the House, the Leader of the Opposition, the member for Murchison (Mr. Marshall), and the member for Fremantle (Mr. Sleeman) have been loud in their protests against it, on account of the reversal of the ordinary traditions of British justice that the accused person is innocent until proved guilty. By this clause, the accused person will be adjudged guilty immediately a policeman, or inspector under the board, issues a complaint against him, averring in the complaint that a certain misdemeanour has occurred. I hope the House will not approve of that.

Under the Act the inspector has the right to question only the owner of a public vehicle, one that has to be licensed under this legislation. I do not see how an inspector can satisfactorily carry out his duties unless he has the right to question the driver of any vehicle. He would not be able to decide whether a vehicle should be licensed because it was a public vehicle unless he had the right to interrogate the driver of any vehicle on the road. To that extent the Bill is worthy of support. This clause also contains the objectionable feature of the person charged having to prove his innocence.

The first schedule to the Act is to be deleted and a new schedule is proposed. Where the new one coincides with the old one I do not think any exception can be taken, but it becomes obnoxious when it departs from the old schedule. A very objectionable feature is that which prevents a farmer from taking back to his farm a greater weight of commodities than he carried in farm produce on the outward journey. That is an absurd provision. The original schedule provides as follows:—

> Solely for the carriage of livestock, poultry, fruit, vegetabes, dairy produce or other perishable commodities or wheat from the place where they are produced to any other place, and for the carriage of on the return journey any farmers' requisites for domestic use or for use in producing the commodities named therein, and not intended for sale in a vehicle owned by the producer.

Then it is proposed to add the words "not exceeding in gross weight the gross weight of the commodities carried on the outward journey." That is an absurd provision and no practical man would advocate it. Nine farmers out of ten will cart from their farm to the siding or township about ten or fifteen times as much weight as they will from the township to the farm. It is not always possible to say what a farmer is going to take in or take out. It is not possible to say that he will always take back from the siding the same weight as he brought in. During harvest time farmers cart many loads of wheat and return with their trucks practically empty. Later on, when a man has delivered the bulk of his harvest, he takes small loads into the siding, and perhaps takes back large loads of super or other commodities. When carting super it is not always possible for him to cart his wheat; but under the Bill he will not be able to take back more than he brings in. I do not see how this is going to be carried out. In the First Schedule of the parent Act there is provision that a truck owner may arrange for the carriage of ore in a mining district, but the Bill provides for the addition of the word "one." I do not know the exact position that prevails in mining areas and I suggest that the mining members should investigate it.

Mr. Marshall: We do not require your advice.

Hon. P. D. FERGUSON: Then the hon. member need not take it. I have gone to some trouble to investigate the position and it looks to me as if the new provision will entail serious difficulty on those engaged in the transport of ore. If the Bill becomes law, it will not be possible for a person to use a truck for the transport of ore outside "one" mining district. It is conceivable that a mine might be in one mining district and the battery in another mining district. For instance, a truck owner will not be able to

cart ore from a mine, say, near Boorabbin, which is in the Coolgardie mining district, to a battery at Southern Cross, which is in the Yilgarn district. Neither will it be possible to shift ore from Widgiemooltha, which is in the Coolgardie district, to a battery at Norseman, which is in the Dundas mining district; nor yet from a mine at Goongarrie, which is in the North Coolgardie district, to Broad Arrow, which is in the Coolgardie mining district. These instances can be multiplied a hundredfold. It seems that a very great hardship will be imposed on a number of small mining shows if they are compelled to observe this new proposal. I am prepared to vote for the second reading, but I hope the Minister will give sympathetic consideration to some amendments that will appear on to-morrow's notice paper. I ask the Minister to be good enough not to go beyond Clause 4 in Committee, at any rate not until he sees the amendments which are of a comprehensive character.

MR. WATTS (*Katanning*) [9.50]: I am going to suggest that the Minister will have a long argument before he succeeds in passing the Bill in its present form. I trust, however, he will be prepared to consider some amendments to the various clauses. I do not intend to oppose the second reading because I agree with the member for Irwin-Moore that there is much in the Bill that is very worthy. I have had a good deal to do with the Transport Board in recent years, and I have found its members very reasonable men. Therefore it would ill-become me or any other member to dismiss proposals which, I understand, have received very careful consideration, prior to their being discussed with the Minister, without at least giving the Minister the opportunity of making the Bill a satisfactory measure. I approve strongly of the provisions that will allow the Transport Board full opportunity for entering into contracts and agreements with those persons who tender for the services which the board proposes to put into operation and over which, up to the present time, the board has had very little power. I have three such services in my electorate and, while they have worked satisfactorily as far as the general running is concerned, it would be very advantageous if the powers of the board were defined clearly. When we come to Clause 4, I must say I have rarely seen a clause that is more difficult to understand. After considerable thought, I have ascertained that it apparently means this: Whereas one was not required to get a license on complying with the provisions of paragraphs (a) and (b) of Section 33 of the Act, under Clause 4 it will be necessary for a vehicle in which separate shares are held by two or more persons who are not partners, or are in limited partnership only, and any one of the shareholders operates or is in partnership, or is in only a limited partnership, to take out a license. If a vehicle is operated by any one shareholder, and not for the benefit of all the shareholders at once, a license is required. That appears to be the process that is suggested to overcome the difficulty in regard to so-called community trucks. There can be no objection whatever to the bona fide joint ownership in a vehicle, either in connection with an ordinary partnership or a limited partnership, but I desire to know why those who are in a limited partnership are to be excluded from the exemption under the proposal. It is admitted that there have been very few limited partnerships registered, but that is no reason why persons who may wish to go into a limited partnership should be excluded. It is impossible for a limited partnership to be registered as a partnership unless it complies with the conditions laid down by the Act: if it does not do so, then the partners' liability is not limited. So I can see no reason why any bona fide partnership should be prevented from having joint ownership in a vehicle for the purpose of carrying on.

The Minister for Works: The point is that the partnership extends to the holding also.

Mr. WATTS: There is no reason why a partnership should extend to the holding, so long as it is a bona fide partnership in the vehicle. It has been said also that the Bill is a concession to the producer. There is no concession about it, because the right has been established by the law during the last four or five years, and the Bill proposes to take away some of that right. While I do not object to a portion of that right being taken away, that is not to say that the portion I object to being removed is the portion the Minister wants to take away. I am not going to be a party to the rights of bona fide producers in partnerships, whether in land or trucks, or trucks alone, being whittled away too much. I am with the

Minister in his desire to do away with unfair community trucks, but I am not going to subscribe to a proposal which aims at nullifying a partnership between producers on the land or a partnership in a vehicle, or any attempt to take away any portion of a right that has been acquired by law in recent years. Therefore that particular clause will have to undergo considerable alteration, although I will not prevent the Minister from limiting the operation of what I have referred to as community trucks. I am unable to agree with that portion of the clause setting out that the burden of proving innocence shall lie with the defendant. I know that at times it is difficult to prove the guilt of the person who is charged. I am aware that it is highly convenient to have a provision such as the present one in a measure of this nature. At the same time there are some principles to which we should, to the best of our ability, adhere, and we should not introduce such a provision as this into a Bill where there is really no need for it. The principle we are losing sight of is one upon which we should retain as tight a grip as possible for the benefit of justice and of our ideas of justice. Therefore I agree with the previous speaker in regard to that matter also.

Now I turn to the First Schedule, which proposes to substitute another concession to the producers. I have no doubt that it takes away a concession, at any rate to some extent. Paragraph 11 of the proposed schedule alters existing provisions for exemption from the need for licensing for feeder services within a radius of 35 miles from any one country railway station or railway siding, so that apparently the exemption applies only in respect of carriage of goods off any route or outside any area in respect of which the board has granted a license pursuant to its acceptance of a tender called for by it under the provisions of the Act. That seems to me most unreasonable. In this instance there may be another interpretation possible, but in my opinion the insertion of the word "and" in the middle of the clause means a 35-mile radius exemption only where there is a subsidised transport service. Thus unless there is a service of that kind it will not be possible to claim that one comes under the provision of the schedule as regards operating as a feeder up to a distance of 35 miles from a railway station or railway siding, when one does not require a license. It is not the license fee that concerns me in these matters. It is the fact that we are taking away something that is already lawfully due to persons whose cases were carefully considered by Parliament in 1933, and for whom provisions were inserted in the original First Schedule. Irrespective of the question of the mere license fee, we should be very careful before taking away from them anything we gave them at that time. While I am anxious to assist the Minister to make the operations of the Transport Board successful in regard to essentials—and what I consider those essentials to be I have already indicated—I am not prepared to go any further. I shall support the second reading, but I propose very definitely to ask the Minister to accept some amendments to the measure.

Question put and passed.

Bill read a second time.

BILL—PROFITEERING PREVENTION.

Message.

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

Second Reading.

Debate resumed from the 1st December.

HON. C. G. LATHAM (York) [10.36]: I followed closely the Minister's second reading speech, and endeavoured to ascertain from his remarks the reason for the introduction of the Bill. Although I listened most attentively, I could not arrive at any conclusion regarding the necessity for the measure at this stage. The Minister stated that the Queensland cost of living was a little less than the Western Australian, as if that was a justification. I rather regret the introduction of the Bill at so late a stage of the session, because possibly there may be a need for it of which we are unaware.

Mr. Marshall: If you read the paper you would see the need for it as far as bread is concerned.

Hon. C. G. LATHAM: It cannot affect bread.

Mr. Marshall: We were told bread would not rise in price.

Hon. C. G. LATHAM: We might have come to a right conclusion in regard to the measure had we been given the opportunity to investigate it. The Bill might well have been referred to a select committee, though I do not for one moment suggest such a procedure at this hour. The Bill might be passed without a commission being appointed, and brought into effect if the necessity arose. However, I am unable to support even the second reading. The Minister in replying may be able to point out a need for the Bill. True, throughout Australia this class of legislation was enacted in 1919 and 1920. Anti-profiteering legislation was passed here, and the law came up annually for continuance. In 1921 further continuance was considered unnecessary, and the statute lapsed. Queensland has continued this legislation, and there it is still active.

It is interesting to call to mind what took place here in 1920 and 1921. We had three commissioners to determine fair prices of necessities, but there was very little work for them to do. In fact, it was just a matter of paying out fees for practically no service whatever. It is because of that I suggest that if the Bill passes, the Minister should simply leave it on the statute-book, so that it will be available at any time the necessity arises. At present there is no need for it. If enacted, the Bill will stand as a warning to any exploiter of the public by high prices. The Minister said that profiteering did exist, but he gave no instance. Sometimes I have thought the price of bread unreasonably high in Western Australia, but the mere assertion of profiteering on the part of the bakers would convey nothing until we had ascertained the actual cost of manufacturing and the actual cost of delivering the article. The result of inquiries made was that a great deal of the cost is in the distribution.

I do not suppose any member on either side of the Chamber would extend any sympathy to the remorseless profiteer. If we knew of such profiteers, this Bill would have a speedy passage. However, as I pointed out, the Minister quoted no instance to justify the Bill. I would have expected him to supply some evidence of the kind. I admit that prices of commodities are now very high, but if we carefully examine the reasons for high prices we probably come to the conclusion that high prices are due to the fact that people engaged in our agricultural and pastoral industries, and in other industries as well, are largely living on credit. If credit is given, somebody must pay for it; and thus prices increase. Wages have soared higher and higher, exploding the Labour Party's theory that the more money one gives people, the better off they are. That is a pure fallacy. The pound is worth only what it will buy. Since 1933 the basic wage has steadily risen, not only in this State but throughout Australia, without any corresponding increase in value to the wage earner, because he has to pay the money out. I have read the Queensland report which the Minister was good enough to supply to me, and which maintains that it is possible to prevent increase of commodity prices with increases of the basic wage, because the basic wage follows the increase. But if one inquires carefully, one finds that the assertion is not borne out by the facts, because gradually the basic wage has risen in Queensland as it has in other States. The excuse is that good seasons and bad seasons have some influence on the cost of commodities. Still, they would not materially affect prices generally—say the prices of groceries and drapery. They might have an influence on prices of meat, milk and butter, though Queensland produces a superabundance of those commodities, and there cannot be much in that argument. High prices in Western Australia are due chiefly to the credit system and cost of distribution.

The very Minister who introduces this Bill recently introduced a Bill to establish a bureau for the encouragement of manufacturers. No manufacturer will be encouraged to come to Western Australia by the knowledge that we have a commission appointed to prevent him from charging what may be termed reasonable prices. The powers under the measure are extremely far-reaching. The commission would have to consist of supermen if its members are to be competent to investigate everything as proposed. The commission may treat manufacturers unfairly. The first thing a manufacturer thinking of establishing himself in Western Australia would do would be to inquire what were the laws of the State in respect of prices. If he learnt that a commission had been established here to debar manufacturers from fixing prices that would leave a small profit, whilst

Eastern States goods could be imported and sold much below those prices, he would not be encouraged to invest capital here. My belief is that the Bill would prevent competition. Competition forces down prices. I think the Minister will agree with that, because he seeks power under the Bill to deal with combines. But will not this class of legislation eliminate competition? Take, for example, the business of a grocer. Large emporiums in the city make a huge profit because of their immense turnover. The small storekeeper in the suburbs with a small turnover, however, has to charge a higher price for the goods he sells, otherwise he will make no profit at all. If we limit the price of the groceries that he sells, will not that force the people to go to the big emporiums to purchase their goods?

Mr. Hegney: Many small shopkeepers in the suburbs sell goods at prices lower than those charged by the big emporiums.

Hon. C. G. LATHAM: I do not know any of them.

Mr. Hegney: I do. It is taking place in the suburb where I live.

Hon. C. G. LATHAM: Many people go into the city to purchase their requirements because they can obtain them cheaper than by purchasing them locally.

Mr. Patrick: And they pay their tram fares, too.

Hon. C. G. LATHAM: People come from as far as Fremantle to Perth to purchase goods because they are cheaper in Perth.

Mr. Marshall: They buy catch lines.

Hon. C. G. LATHAM: The story told me by the suburban shopkeeper is that he cannot buy goods wholesale as cheaply as some of the emporiums sell their goods retail. I do not propose to mention the names of any of the emporiums; they are well known to members. There are also certain businesses in Hay-street—I shall not mention their names—which are keen competitors of the big emporiums and which spend very little in advertising. I venture to say that those people and the big emporiums control prices; they deal in almost every class of goods. Certainly at some of the big emporiums one can purchase meat, bread, vegetables, fruit, groceries, drapery, furniture—in fact, almost everything one can think of. They must control prices. There may be certain places in the country where one shop has a monopoly, but if the proprietor is forced out of business, will it be of any advantage to his customers, notwithstanding that they may purchase from him only goods that they have run short of? How will it affect those people? People can order drapery from Perth and have it sent to them freight free either to the nearest railway station or through the post, and so almost to their door. Therefore, we find competition between local and city stores.

So far as I can judge, there is not any exploitation of the public that would justify this legislation. To-day complaints come from the Eastern States about chain stores; members no doubt have seen comments in the Press on the subject. Why should there be an agitation to prevent the establishment of chain stores? I do not believe the agitation is made by the public; I think it is made by the traders with whom the chain stores are entering into competition. The agitation has arisen because the chain stores are underselling the other dealers. After all, the public gets the benefit. Chain stores are not a crime, surely. A day may come when they will get control and then will force up prices; but to-day, through competition, they are forcing down prices. What I am afraid of is that we shall compel business people to amalgamate. The big emporiums will be opening branches in the suburbs and the smaller traders will be forced out of business and thus deprived of their livelihood.

This Bill is an illustration of the inconsistency of the Government. The Government has always supported legislation designed to prevent what is termed backyard manufacturing. What is the effect of backyard manufacturing? It certainly keeps down prices. I believe that even you yourself, Mr. Speaker, when on the floor of the House, encouraged the Government to bring down legislation to prevent backyard manufacturing. Yet that is the sort of thing that keeps prices down. I admit that it might interfere with the high ideals of the Labour Party, because those manufacturers probably succeed in making only a bare existence.

The Premier: Do not you think it encourages sweating?

Hon. C. G. LATHAM: I do not know whether it does or not. What really does constitute sweating?

The Premier: Taking advantage of workmen.

Hon. C. G. LATHAM: I should say the Premier creates a fair amount of sweating in this Chamber when he makes us work all night.

The Premier: Quite right!

Hon. C. G. LATHAM: I do not know that he is free from that charge. I have heard members say in this House that they do not work eight hours per day all the year round. There may be some form of sweating going on.

The Premier: The workers do not get an adequate reward for their labour.

Hon. C. G. LATHAM: The point is that all this has a tendency to keep prices down.

The Premier: The workers do not get a reasonable reward for the services they give.

Hon. C. G. LATHAM: If there is so much sweating that legislation is needed to prevent it, there can be very little reason to complain about the exploitation of the public.

The Premier: Did you ever read "The Song of the Shirt"?

Hon. C. G. LATHAM: I have heard it sung. Of course, that dealt with the dark, bad, old days. We may perhaps to-day have instances of it; I cannot say whether we have or not. My contention is that the man in a small way should be encouraged to carry on business, because then we would have competition. This legislation will force all business into the hands of the big emporiums and chain stores. It will drive the small man in the suburbs and in the country towns out of business.

May I ask whether the proposed commissioner, when he makes his inquiries, will judge a manufacturer on the interest that his capital returns to him or on the turnover of his business? Suppose a man started to manufacture rabbit traps. If he manufactures 1,000 traps a day at a profit of one penny each, he would make a profit of £4 3s. 4d. A small man might also start in that business and manufacture only a dozen traps a day: he therefore would make one shilling. Who should be encouraged? The man who engages in mass production, or the man who provides a reasonable amount of employment and carries on business in a small way? This legislation is going to help no one except those in a big way of business. If we are to judge a business man on the amount of interest earned on his capital then obviously we shall penalise industry. There is no alternative. An efficient businessman may turn his money over two or three times a year, while a man not so efficient may be able to turn his money over only once a year. Of course, that man must have a higher percentage of profit; he has not sufficient capital and the business is not there for him to do. One hon. member mentioned the Bread Act. For what reason I do not know, but the price of bread seems to be excessively high compared with the price of a few years ago, when wheat was 9s. We then did not pay more than 6d. a loaf. Now that wheat is down to 2s. or a little over to the miller, we are paying 5½d. a loaf. It has been said that investigations point to the fact that handling costs increased the price of bread.

The Premier: The present price is not justified.

Hon. C. G. LATHAM: I do not know. Bread does not come under the provisions of this Bill. There are two things in the Bill to which I object strongly. I presume it is necessary to give the proposed commissioner wide powers, but I do not propose to allow him to transfer or delegate those powers to whomever he likes. Parliament in its wisdom may give the commissioner the powers of a Royal Commission; but to say to the commissioner, "You can pass on all those powers to whomever you like," is wrong in principle, and I hope the House will not agree to it. If the commissioner must make inquiries, let him do so; but do not permit him to delegate his authority to any Tom, Dick or Harry that may come along. The second point to which I object is this: If the commissioner acts foolishly and interferes with a man in his business then the Government ought to pay for the mistake. Under the Bill, however, it is proposed to protect the Crown and its officers from any action that might lie against the Crown because of any action taken by the commissioner. As I say, the Bill proposes to confer upon the commissioner very great powers. He ought to exercise those powers with common sense; if he makes a mistake and in doing so injures a person in his business, then the Government ought to pay for it. I do not propose to allow that clause to pass without a good deal of opposition.

If the Minister would give me some instance of exploitation of the public, I should

be very glad to hear it. I refer to machinery parts; we manufacture very little machinery here, but if we say to the manufacturer, "You are making too much profit here," the possibility is that he will close down his branch in Western Australia, and the people desirous of obtaining those parts will have to send to the Eastern States for them. That will have the effect of providing work for people in the Eastern States and depriving our own people of employment. It is impossible to obtain duplicate parts in this State for many machines; they have to be obtained from the Eastern States. Our desire should be to encourage the manufacturers to establish branches here. Very often it is cheaper to pay a little more for the article here than put up with the delay in obtaining it from the Eastern States. When listening to the speech of the Minister on the proposed bureau of industry, I gathered the impression that his main idea was to encourage the establishment of manufactures here. Will this Bill do so? I say it will not.

Mr. Marshall: Did it discourage the establishment of manufactures in Queensland?

Hon. C. G. LATHAM: To a certain extent.

Mr. Marshall: How?

Hon. C. G. LATHAM: As a matter of fact, certain manufactories closed down in Queensland and shifted into New South Wales. The goods manufactured are being sold in Queensland, because the Queensland people must have them. There are certain lines which they do not control; but, generally speaking, Queensland cannot boast of many manufacturing industries. The principal industries in Queensland are the primary industries and the timber industry. I have no desire to discourage people from coming here and investing their money; but I am afraid that this piece of legislation will do so. The Minister suggests that there is necessity for this legislation. I hope he will be able to tell us what the necessity is. I cannot see the reason for the appointment of a highly paid officer. I do not know where the Government will get this expert.

The Minister for Justice: Are the farmers exploited in connection with farming machinery, for instance?

Hon. C. G. LATHAM: In what way will this Bill relieve the situation? I will deal with the big firms—I do not propose to mention their names—but the Premier knows them. One is providing quite a lot of employment at Maylands. Suppose they say, "We will not assemble here"? What control shall we have over them then? None at all. There was a time when those people proposed to come here and set up in business, but because of a dispute between the union and themselves, they refused to do so. The men wanted to be employed on piecework.

The Premier: There were other matters, too.

Hon. C. G. LATHAM: That was one of them, at any rate. Those people say, "Why should we establish works in Western Australia when we can manufacture by mass production in Victoria?" We know what has happened at Sunshine, which is an active community, and quite a flourishing place. If we want to encourage factories, this kind of legislation will not help at all. The Bill will not relieve the position, and so I hope the Minister will be able to tell us of an instance where he can justify the passing of legislation. If he does, I will promise to give it further consideration.

MR. McDONALD (West Perth) [10.33]: The Bill is very far-reaching. The commissioner to be appointed could be the most powerful man in the State. He would have more possibilities for good or evil than would any other man in the State. Although the Bill sets out certain specific commodities, such as coal and firewood, food, clothing, agricultural implements, the term "commodity" includes any goods or merchandise, or anything in fact that may be specified by the Governor-in-Council, of course on the advice of the Government of the day. Thus a commodity of any kind would come under the Bill if the Governor so proclaimed the goods, and all could be made the subject of a fixed maximum price. Not only that, but any service could be made subject to the fixation of a maximum price, even services rendered by doctors or architects, as well as manual, clerical or professional services. The Bill can be extended practically to every commodity produced in the State and to practically every service except the Flour Products Act which was recently passed, and except also services, payment for which is determined by the Court of Arbitration. Unlike the

Court of Arbitration, however, which is a body composed of three people, there will be a single individual as commissioner and from his determination there will not be an appeal. I have not had time to investigate the legislation in the other States. I did telegraph to New South Wales and as far as I have been able to learn the Bill introduced by the Stevens Government is confined to specific commodities, for instance, rents, buildings, materials and foodstuffs; but I cannot speak authoritatively on this point. If extortionate prices are being charged, then the Legislature should always be prepared to intervene and continue the intervention until the evil is remedied. But no facts have been given by the Minister to indicate that there is any degree of profiteering in this State today. I have looked at the statistics and as far as I can see the prices of commodities—food, groceries, house rent and retail prices generally in Perth—do not show anything to warrant interference.

Mr. Cross: You do not accept the figures given you in regard to rents as being correct, do you?

Mr. McDONALD: I may assume that they are as correct in Perth as in any other capital city. In that way we have a fair basis of comparison and if we take that basis we will see that the retail prices compare not unfavourably with the retail prices in the other capital cities. If we go back to 1911 we will find that on the whole our retail prices in Perth have had less tendency to expand than the retail prices in the other States. I do not think we can see amongst the traders in this State any evidence of profiteering; on the other hand, we do see many traders going to the wall because they cannot on present prices make sufficient to meet their liabilities. I consider that competition from the Eastern States and competition between traders in this State have kept our prices on a reasonable basis. In New Zealand an Act was passed three or four years ago giving power to fix prices. Last year when I happened to be there I took the opportunity to inquire what had been done about it, and the information given to me was that no attempt had been made to enforce the law, although it had been in existence for two years. That surprised me because at the time I was there there was a sharp increase in the cost of living and one would have thought that there would be occasion to determine whether or not there was any degree of profiteering. In addition, what was concerning New Zealand people at that time was the increasing influx of goods from Australia. The balance of trade was in favour of Australia and it had been growing more and more. That was giving concern to the people of New Zealand. I give this information for what it is worth. The general impression there was that there had been a limitation of industrial expansion in New Zealand because the people who might otherwise have speculated upon starting industries in New Zealand feared that there might be interference and it would not be worth their while to embark their capital on any venture. Thus, secondary industries were flourishing in Australia, while the New Zealand manufacturers were becoming increasingly worried. I fear that that may happen to us. It is obvious to everybody that the prevention of profiteering is something about which we all agree but it might also be said that while anti-profiteering legislation might go through the House by default, the manufacturer, human nature being as it is, even though he intends to acquire only a fair return on his money, fears that an autocratic body may be set up with plenary powers, and may by some arbitrary decision cause his venture to fail. Take the case of a man with capital contemplating investing it in some enterprise in Western Australia. He would naturally inquire, as the Leader of the Opposition pointed out, what his actual position would be in this State regarding legislation. He would find that there was to be a person to be known as the commissioner of prices who would have the absolute right to dictate the prices at which goods should be sold. If that person proved to be oppressive, he would know what to expect. He would say, "I don't think I will bother. It is a matter of speculation if I operate in Western Australia where there is a small community. I do not know what demand there would be for my goods nor yet what the costs would be. I know that many costs are already higher than those operating in the Eastern States. I will remain in the more populous States. Even though Victoria or New South Wales has an anti-profiteering Act, I shall not be running the same risks in either of those States as I shall in Western Australia.

I shall have an immense population around me and I can go in for mass production. I know fairly well what I can get there, and I will not be speculating with my money."

Hon. C. G. Latham: And if he were to start manufacturing in Western Australia, he would always be confronted with competition from the Eastern States.

Mr. McDONALD: Yes, that is so. I will not labour this question. One of the best methods by which conditions in this State could be improved would be to increase our secondary industries and to secure the transfer of population from the Eastern States to Western Australia. All are agreed upon that. I feel that the Bill will not assist towards achieving that end. I feel that even if we encourage people here to start manufactories and they charge rather more than they should, we would secure more benefit from their presence in Western Australia and from the money they would circulate in wages and in building up industries than we would suffer from the effect of their charging a little more than we think they should.

If I had the power, I would like to introduce legislation to enable many things to be done. I would like to pass legislation so that every employee in this State would enjoy a fortnight's holiday on full wages. I believe the time will come when we shall have a 40-hour working week. I would like to introduce legislation with that end in view, if I thought it would do the people any good.

Mr. Sleeman: It would not do any harm.

Mr. McDONALD: I would like to introduce legislation to provide more adequate superannuation, beyond that which people will secure from the national insurance scheme. But if all these very desirable reforms were introduced, would they improve the position of the people? I regret to say that we must face realities. No industry would be started here with the adverse conditions operating compared with those obtaining in the Eastern States or overseas. No industry here could compete with those operating in States or countries where lower wages are paid and where conditions do not impose such burdens. Why do not we apply legislation of this description to gold and fix the maximum price at which it can be sold? It may be said that it is a world price. The reason we do not apply the Bill to commodities such as that is that they are speculative in their nature. A man may go out and lose all his money, so we do not object to his reaping a high reward if he succeeds in the venture into which he has put his capital. On the other hand, I would apply the same rule to our secondary industries in Western Australia. We would gain more benefit if we encouraged people to come to Western Australia rather than to pass legislation, however desirable from some points of view, if it would be regarded by them as imposing a handicap on their industries.

On motion by Mr. Marshall, debate adjourned.

House adjourned at 10.50 p.m.

Legislative Council,

Wednesday, 7th December, 1938.

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

QUESTION—RAILWAYS.

Commissioner's and Secretary's Staffs, etc.

Hon. E. H. H. HALL asked the Chief Secretary: 1, What are the designations of the 19 officers employed in the Commis-