persons who damage or attempt to damage things in the cemetery that are not absolute fixtures. They already have power to take action against those who damage or attempt to damage fixtures such as trees, monuments, vaults and so on. The Bill aims to give the trustees the necessary power to take legal action against persons who damage or attempt damage articles in the cemetery that are not absolute fixtures. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. J. North, debate adjourned.

House adjourned at 11.2 p.m.

Legislative Council

Wednesday, 12th October, 1955.

CONTENTS.

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

QUESTION.

PIG IRON.

Cartage from Wundowie.

Hon. L. A. LOGAN (for Hon. A. R. Jones) asked the Chief Secretary:

Following answers to questions recently with regard to transport of saleable products from Wundowie, will the Minister now inform the House—

(1) What would be the freight, per ton of pig iron, from Wundowie to port, if carried by the railways?

(2) What is the freight or cartage paid per ton of pig iron, from Wundowie to port as carried by road transport?

(3) If pig iron were carted by rail from Wundowie to port, what other charges would be involved to deliver the iron to shipside other than railage?

(4) What charges are involved other than freight on iron delivered at shipside when carted by road transport?

(5) What are the reasons for carting pig iron by road transport instead of by rail from Wundowie to—

(a) factories in and around Perth and Fremantle;

(b) port at Fremantle for shipment?

(6) Is the cartage by road transport of the pig iron done by contract or by Government-owned trucks?

The MINISTER FOR THE NORTH-WEST (for the Chief Secretary) replied:

(1) 28s. 2d. per ton, plus haulage 2s.

(2) All-in cost to Fremantle £1 3s. 9d. per ton, reduced by back-loading of limestone flux.

(3) 12s. per ton made up by handling ex dump and loading into railway trucks at siding, plus demurrage on rail trucks if awaiting shipping on wharf.

(4) Nil.

(5) (a) Economy, speed and convenience, and saving of handling.

(b) As for No. (5) (a), plus most important time factor. Road transport is convenient for shipping purposes with a saving of demurrage on rail trucks caused by uncertainty of ships loading.

(6) Road transport by Government-owned trucks.

The matter of cartage of Wundowie pig iron by road was the subject of investigation by the Treasury last February, and

discussion between the commercial agent for the railways and the industry in August, 1954. It is obviously more economical and convenient to transport pig iron by road and is definitely advantageous to State finances.

BILL—LICENSING ACT AMENDMENT (No. 3).

Introduced by Hon. N. E. Baxter and read a first time.

BILL—POLICE BENEFIT FUND ABOLITION ACT AMENDMENT.

Read a third time and *passed*.

BILL—CONSTITUTION ACTS AMENDMENT (No. 1).

Third Reading.

HON. F. R. H. LAVERY (West) [4.36]: On behalf of Hon. R. F. Hutchison, I move—

> That the Bill be now read a third time.

The PRESIDENT: As the third reading of this Bill necessitates an absolute majority, it will be necessary to have a division.

Bells rung; House divided.

The PRESIDENT: I have counted the House, and there being an absolute majority of members present and voting in favour of the motion, I declare the question passed.

Question thus passed.

Bill read a third time and transmitted to the Assembly.

BILL—PARKS AND RESERVES ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. L. A. LOGAN (Midland) [4.40]: I have had an opportunity of studying this Bill since it was introduced by the Minister. There is only one clause to which I would like to refer, and that is the one that provides for a body corporate. In the past the names of individuals have been put on to the boards and when any matters have been discussed the name of the person has had to be mentioned. That has led to trouble. This measure, however, seeks to make the boards—such as the State Gardens Board, the Abrolhos Islands Board of Control and others—corporate bodies. This will make for their easier working. I see nothing wrong with the provisions of the Bill. The particular provision to which I have referred will be an improvement on the system of dealing with an individual member. I support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—LICENSING ACT AMENDMENT (No. 2).

In Committee.

Hon. W. R. Hall in the Chair; Hon. Sir Charles Latham in charge of the Bill.

Clause 1—agreed to.

Clause 2—Section 118 amended:

Hon. N. E. BAXTER: I cannot agree with the provisions of this clause and I move an amendment—

> That the words "the hours of 12.30 p.m. and 1.30 p.m." in lines 14 and 15, page 2, be struck out with a view to inserting in lieu the words "for a period of one hour between 12 noon and 2 p.m."

I move this amendment because it is necessary throughout the country during the luncheon hour, particularly in some districts, for the licensees to have different hours for meals, ranging between 12 noon and 2 p.m. This is done for the convenience of their clients. If the Bill is to provide that meals shall be served between 12.30 and 1.30 p.m., it means that every licensee will say, "We will serve them then whether it suits our clients or not." It must be remembered that in many country towns there are business houses that close between 1 p.m. and 2 p.m. for their lunch. It would be awkward for these people to arrange their luncheon hour if they had to abide by the provisions of this measure.

Then again, the licensee might wish to vary the hour because of certain functions which are held in the country. For instance, there might be a race meeting in the town, and he might wish to have the meal from 12.30 p.m. to 1.30 p.m. or even from 12 noon to 1 p.m. If the Bill is passed in its present form, it will mean that it will be mandatory for the meal hour to be from 12.30 p.m. to 1.30 p.m., and this could upset the whole situation as it relates to the luncheon hour. The purpose of the amendment is to give a licensee the right to vary the hours between 12 noon and 2 p.m. so that he can adjust the meal hour according to the trade.

Hon. Sir CHARLES LATHAM: I protest against this kind of amendment. The Bill has been before the Chamber for a long time, and the hon. member might at least have followed the usual practice of putting his amendment on the notice paper.

I think he has a misconception of what is intended by the Bill. The measure is not designed for the protection of hotelkeepers but for the travelling public. For a period of 40 years there were standard hours for meals throughout the State and they were strictly followed. Licences were granted to hotelkeepers in order that they might provide for the convenience of the travelling public.

The hon. member asserted that most business people in a town go to the hotel for lunch. Very few people in country districts do so. They are established citizens in the town, and do not use the hotel for meals but go home. The hon. member defends hotels which in the past have not provided meals for the public, and he wants to enable them to carry on the same as before.

This State has done very well from its tourist traffic, but it is losing that traffic on account of the class of hotel at which tourists are being forced to stay. In many instances they have been refused accommodation, though I admit that hotels generally carry out the law admirably and provide reasonable accommodation. During my second reading speech, I pointed out that the reason for the decline has been that the best of the trade has been given to clubs in the country towns, and hotels have been deprived of quite a lot of revenue; and in order to cut down expenses, a few of them are refusing to supply meals.

My purpose is to ensure that when a person visits a town he will know what the meal hour is, as was the case for many years. If this amendment is accepted, the Bill might as well be dropped. I have been in touch with representatives of the Licensed Victuallers' Association and they have no complaints, though they say there will be anomalies, as of course there will be. For the benefit of the hon. member, I will repeat that in towns where there are many railway workers who have to stay at hotels and start work at 8 a.m. meals have been provided at 7.30 a.m. As a traveller, I have had meals with them in the dining-room or kitchen.

Hon. C. W. D. Barker: They will not get them if this is passed.

Hon. Sir CHARLES LATHAM: Of course they will! The hon. member has not read the Act, which says that a person may demand a meal at any reasonable time. It is not correct to say that hotels will be restricted to the one hour stipulated. They will be able to serve meals all day if they care to do so.

Hon. C. W. D. Barker: They will not do it.

Hon. Sir CHARLES LATHAM: In the past they did it, when there was an hour for a meal. I have not provided that there shall be a limited period for the serving of meals, but that one hour shall be set aside for the travelling public. The hon. member would have it left to any hour.

Hon. E. M. Heenan: He says any time between 12 and 2 p.m.

Hon. Sir CHARLES LATHAM: If he fixed it from 12 to 2 p.m. I would agree, but I did not want to go as far as that.

Hon. N. E. Baxter: One hour between 12 and 2 p.m.

Hon. Sir CHARLES LATHAM: The hon. member is concerned only with people with exclusive beer and spirit licences.

Hon. N. E. Baxter: Not so exclusive as you think.

Hon. Sir CHARLES LATHAM: Yes, because they do not have to provide meals. What would happen under the amendment would be that a person would go into a hotel between 12 and 1 and be told, "Our meal hour is between 1 p.m. and 2 p.m." That is the excuse that has been put up to me personally.

Hon. N. E. Baxter: Could not such people wait until 1 p.m.?

Hon. Sir CHARLES LATHAM: They might not be able to, if they were travelling to a schedule from one place to another. If a person were travelling from Geraldton to Perth or from Kalgoorlie to Perth, he would know where he would be likely to be at meal-time. I have been refused meals, and I dare say I am not the only one. On the other hand, I have met with hotel proprietors who have been very generous. I had a trip from Coolgardie to Esperance on one occasion, and the people at a little wayside hotel said, "If you are here early for breakfast, we will fix you up". But other hotels have said, "No, our hours are such and such".

Hon. G. Bennetts: When you go to the Goldfields you are in God's own country.

Hon. Sir CHARLES LATHAM: I give credit to the Goldfields because I value the attitude of the people there towards travellers. I would not have minded excluding the Goldfields.

Hon. C. W. D. Barker: North of the 26th parallel.

Hon. Sir CHARLES LATHAM: It will not affect people there.

Hon. C. W. D. Barker: People will want meals at all hours.

Hon. Sir CHARLES LATHAM: I know these people even better than the hon. member does. At what time do hotels there close their bars? I have been to Derby and I know what the hotel hours there were.

Hon. C. W. D. Barker: When were you there last?

Hon. Sir CHARLES LATHAM: I know all about that. I do not think the hon. member is doing his district any good by interjecting.

Hon. C. W. D. Barker: I will not be able to go back if I vote against this amendment.

Hon. Sir CHARLES LATHAM: There is nothing unfair about this provision. The Licensed Victuallers' Association has been in touch with me, and has not complained about it. I would prefer to have the lunch hour from 1 p.m. to 2 p.m., but there is some reason for allowing for the half-hour to cater for those people who have a lunch hour between 12 and 1 p.m. and those whose lunch hour is between 1 p.m. and 2 p.m. Let us fix the hours so that people will be able to know that when they arrive in a town they will be able to get a meal. The hours can be fixed from Wyndham to Esperance and from Wyndham to Augusta. The travelling public has to be considered.

A little while ago a Cabinet Minister said that because of the conditions of our hotels we would never be able to cater for the tourist trade. I want the tourists and other people coming here to be able to know what the hours are, as is the position in New South Wales. I am sorry that Mr. Baxter has introduced this amendment because I believe the Committee would have been willing to agree to the suggestion I made in the presentation of the Bill.

Hon. E. M. HEENAN: I do not like the Bill or the clause. The only way it can be brought into line, as far as I am concerned, is by Mr. Baxter's amendment. I am surprised at the arguments put forward by Sir Charles. He wants one law to apply from Wyndham to Esperance, but that is not the position with many of our laws. We frequently do not have one law to apply from Wyndham to Esperance.

Hon. Sir Charles Latham: Do the postal authorities have one law?

Hon. E. M. HEENAN: We on the Goldfields have suffered a good deal because of the recent legislation included in the Betting Control Act. I am sure we will be greatly criticised if we allow this Bill to pass. The standard hour at the Palace Hotel, Kalgoorlie, is between 1 p.m. and 2 p.m. for the midday meal. If this provision is agreed to that hotel will have to alter its present time. Also there is a drinking session there from 10 a.m. to 1 p.m., I think. This will make the position awkward. A different set of conditions prevails at Norseman, and also at Esperance, where there is a great influx of holiday visitors. We are going to tell the hotelkeepers there that they must put on their meals between 12.30 p.m. and 1.30 p.m., ignoring all local factors, times of train arrivals, and so on.

Hon. Sir Charles Latham: What times do the trains arrive at Esperance?

Hon. E. M. HEENAN: I cannot say off hand.

Hon. Sir Charles Latham: I can.

Hon. E. M. HEENAN: If the hon. member knows, why ask me?

Hon. Sir Charles Latham: To bring out that you do not know what you are talking about.

Hon. E. M. HEENAN: There will be a great agitation against this measure, which will inflict considerable hardship. Norseman is a mining town, where there are many hundreds of miners, and the drinking session is during certain hours.

Hon. Sir Charles Latham: I am not interfering with that.

Hon. E. M. HEENAN: If the drinking session goes on to 1 o'clock and the publican has to serve meals between 12.30 p.m. and 1.30 p.m., the position will become very awkward.

Hon. Sir Charles Latham: No.

Hon. E. M. HEENAN: Many people do not want to go in for their meals at 12.30 p.m.

Hon. Sir Charles Latham: Cannot they go in at 1 o'clock?

Hon. E. M. HEENAN: Yes. But that does not give them much time. Some hotels vary the Sunday meal-hour.

Hon. Sir Charles Latham: And some do not give a meal at all.

Hon. E. M. HEENAN: We will get a lot of criticism because of this. I would like to see the Bill defeated altogether. I have no objection to breakfast being on from 8 a.m. to 9 a.m., although some hotels serve breakfast on Sunday mornings between 8.30 a.m. and 9.30 a.m.

Hon. G. Bennetts: Most of them do.

Hon. E. M. HEENAN: We are going to say that irrespective of local conditions, the same law shall apply from Wyndham to Esperance, but we are going to leave Perth out of it. Do not touch the environs of Perth within 20 miles!

Hon. Sir Charles Latham: Meals are obtainable here.

Hon. E. M. HEENAN: The hotels here can suit themselves; but in Esperance, Norseman and Kalgoorlie they have to toe the line, irrespective of whether it is convenient for them. In these outback places they have difficulty in getting staff. I do not like the Bill, and I want the hotelkeepers in Kalgoorlie to know that I am strongly opposed to it.

Hon. C. W. D. BARKER: I intend to support the amendment. It will apply to hotels north of the 26th parallel the same as it will apply to those at Kalgoorlie. In my district we have planes arriving at different times, and they leave at four and five o'clock in the morning. As a result, people want an early breakfast which, at present, they get. A person can obtain lunch in the North within a limit of 1½ or two hours. The same applies to dinner at night.

If this provision goes into the Act it will tell the hotelkeepers, definitely, that they need only serve meals in accordance with these hours. Some of them will say, "This is the law. This is when we have to serve the meals, and this is when we will serve them." By including this clause we will be doing the public a disservice. I hope the Bill will be defeated on the third reading. I cannot see where it will do any good at all.

I think Sir Charles has been refused meals in some hotels; but so have most of us. That sort of thing is unavoidable owing to shortage of staff, and other reasons. We should not say to hotelkeepers that they must serve meals during these hours. Some men might be on seasonal work and require breakfast between 7.30 a.m. and 8.30 a.m., and so on. If we include this provision, we will upset that position, because the publican will serve meals during these times and at no other times.

Hon. L. A. LOGAN: I consider that Sir Charles is trying to do something that is not feasible. He is endeavouring to force the country hotelkeepers to run their hotels for the benefit of a few travellers who might be going through. The internal workings of a hotel must be centred on the local trade, because that is what keeps the hotel there. If we tell the hotelkeeper that he has to centre his internal workings on the travellers, we will cause bother.

What about breakfast between 8 a.m. and 9 a.m.? Nearly every country hotel serves breakfast between 8.30 a.m. and 9.30 a.m. If I demand a meal at 8 o'clock on a Sunday morning, and that is not the time for the hotel to serve the meal, will I get it? No. The amendment ensures that for one hour between 12 noon and 2 p.m., not only the locals, but the travelling public can demand a meal. I think that improves the Bill somewhat. I do not think it is feasible to do what we are trying to. Over the years, the Licensing Court has not been able to prescribe meal hours, yet we are trying to do it here. The only way out of the difficulty is to accept the amendment, which is a little more practicable than the original proposition.

Conditions today are a lot different from what they were 15 years ago, when people travelled by horse and cart. Today a person in a fast motorcar, travelling at 50 miles an hour, should not have to go far without a meal. There is no need to stipulate the hours in which meals are to be served. The Licensing Act provides that a person can demand a meal; and if he does not get it, he has recourse to the law. It is wrong for us to fix the hours.

Hon. J. D. TEAHAN: I cannot see anything wrong with the present law; and if there is anything wrong with it, it will not be corrected by the Bill. I have had meals in most hotels south of Geraldton, and my experience is that the publicans fit in the meals according to the occasion. If there is a race meeting at Leonora, the meal will commence at 12 noon, instead of 1 p.m.; and in another place it will, perhaps, start at 1 p.m. to suit some other arrangement. I have found that in each town I have visited, the hotel licensee generally fits in with the arrangements of the local people, or any travellers who may require a meal.

On one occasion I was in Mt. Magnet and I wanted breakfast early so that I could be out at the mines at an early hour, and that was arranged. Later, I travelled to Sandstone and arrived at 7.15 p.m., which was after the normal dinner hour, and yet I was served a meal. So it can be seen that some licensees do accommodate travellers, even though they may arrive at hotels after the hour fixed for meals. The existing order is far better than what is proposed in the Bill, and I will vote against the clause.

Hon. G. BENNETTS: I do not favour a set hour. At Esperance, breakfast is served between 8 a.m. and 9 a.m., lunch between 1 p.m. and 2 p.m., and dinner from 6 p.m. to 7 p.m. The same hours apply at the hotels at Norseman, Widgiemooltha and Coolgardie. At Merredin, however, the meals at the Commercial Hotel are served between 12.30 p.m. and 1.15 p.m. for lunch, and from 6 p.m. to 6.45 p.m. for dinner. At Bullfinch the hours vary to suit the railway employees. Dinner is served between 6 p.m. and 7 p.m., and breakfast between 8.30 a.m. and 9.30 a.m.

The hotelkeeper also meets the requirements of the men who have to go to work early on the mines in that district. Also, if one wished to catch an early train from Esperance, one could always go to the hotel kitchen and get something to eat. I am afraid that a set hour for meals will upset some of the existing arrangements of the hotels in my district. All I wish to ensure is that hotels must serve a meal to travellers.

Hon. E. M. Heenan: That is already provided in the Act.

Hon. G. BENNETTS: Yes; but unfortunately some travellers are hoodwinked by the hotelkeepers, because many of the travelling public are unaware of the provisions in the Act. At the hotel at which I am staying in Perth I have been treated very fairly. Many of the rooms are let daily; and if one wishes to get away early in the morning and desires a meal before departure, it can be obtained in the hotel kitchen.

Hon. A. R. JONES: When speaking to the second reading I was very particular to state that I agreed with Sir Charles that there should be an hour fixed for meals, but not necessarily from one period

to another. I explained that at Three Springs the serving of dinner was confined to half an hour, which does not show much consideration for the travelling public. I have also stated that the decision should be left to the publican to arrange the meal hour to suit most of his boarders or his local trade.

I insist that a period of one hour should be allowed for the serving of meals. If one were travelling in fairly remote areas—say, from Mullewa to Morawa—one could easily miss out between one centre and another if a fixed hour for meals were provided. We must do something to ensure the possibility of travellers obtaining a meal, and we should provide for a minimum of one hour for the serving of meals.

Hon. J. G. HISLOP: I sympathise with Sir Charles in his introduction of this Bill, but I am wondering whether these fixed hours will achieve his objective. I have travelled a good deal both inside and outside Western Australia. Up to a few years ago, the travelling public in this State ate like savages, as far as meal-times were concerned, because in most countries the people have a most elastic period for the serving of their food. In some places it is well towards the end of the day before one seeks an evening meal.

However, in this State prior to the war, and even since the war, we have been very rigid in the period set for the partaking of a meal; and in some cases, this period is cut down to three-quarters of an hour. I was serious when I said that we ate like savages, because in some hotels, whilst the meat is being served, one will be asked by the waitress if one wants tea or coffee, and it is served immediately. There is no culture shown in the serving of our meals. One is not asked if one would care to have coffee in the lounge after the meal is concluded.

I am wondering whether the hotels have been regarded merely as places for the sale of alcohol and not for the serving of meals. During the war price fixing had a great deal to do with the question, because controls left the hotelkeeper no alternative but to serve a poor meal. Mr. Shepherd, a hotelkeeper in Geraldton, informed me on one occasion that he was left with a very small margin in the price he was allowed to charge for meals.

Hon. Sir Charles Latham: They could charge more.

Hon. J. G. HISLOP: We can only grow into that as time goes on. The influx of New Australians into the State has taught us how to eat. Up to a few years ago, in some of the major Perth hotels, one would find oneself hurried out of the dining-room by 8 p.m.; but that practice is disappearing rapidly, because of the influence of New Australians among us. The result is that one can have meals at any hour in several establishments, and many hotels are adopting a similar practice. In one hotel that was recently built there is a set hour for the evening meal at a certain cost; and when it is concluded, an a la carte meal, over which they can linger, is provided for guests at increased cost.

This problem will right itself as time goes by, and as the Licensing Court pays more attention to meals as a factor in the licensing of hotels. I ask Sir Charles: What is going to happen in regard to the evening meal? If I remember correctly, the Club Hotel at Geraldton serves the evening meal from 6.30 p.m. to 7.30 p.m., and the same hour is fixed at the Rose Hotel, Bunbury. If this Bill is agreed to, its provisions will compel those hotels which are attempting to meet the wishes of those who want to have their evening meal at a later hour, to open their dining-rooms at 6 p.m. Some hotels at Bunbury and Albany also adopt a similar practice.

All those hotels will be brought down to a set level of hours for the supply of meals. At present they have a clientele that like their meals served at a later hour; and therefore this Bill, if passed, will add to their costs by compelling them to open their dining-rooms earlier than the times they now provide. We will not make progress by setting down rigid conditions. We should ask the Licensing Court to adopt a different attitude in regard to the licensing of hotels.

I was amazed at Mr. Barker speaking on the serving of meals in hotels in the North-West. I can remember arriving at Derby on one occasion at 5.50 a.m., and I was so tired I wished to have a rest immediately; but I was informed that breakfast would be served at 6.30 a.m. When I inquired if breakfast could be served at a later hour. I was informed by the hotelkeeper that he might be able to stretch a point and serve it at 6.45 a.m. In the past, hotelkeepers have been compelled to supply meals and accommodation at unprofitable rates.

Hon. G Bennetts: They are making plenty at present.

Hon. J. G. HISLOP: That is not correct. That is the attitude which has contributed so much to the present unsatisfactory state of affairs in regard to hotel accommodation. The public must learn to pay for what it gets in hotels these days. Recently, I went to a large country town with a friend; and on being shown the beds we were to sleep in, we had to go round to an acquaintance in the town to borrow more blankets. It is usual to find insufficient blankets on the beds in hotels. When I told the hotelkeeper about this, he said, "Everything here is supplied at below cost. How can we provide more blankets?"

In other countries, the public has learnt to pay more for good hotel accommodation. It is interesting to compare the accommodation in those countries with that in Australia. In the time of Jefferson and Madison, one time Presidents of the United States, the population of that country was about equal to the population of Australia today. The hotels there were not required to supply anything more than bare accommodation; that is, they provided beds and dormitories. There were no separate rooms or bedding. Conditions have altered since then because of public demand, and the public in that country has learnt to pay for what it gets.

In the last 20 years, the standard of hotel accommodation has improved everywhere else in the world. In England, one is struck by the wonderful condition of beds and mattresses in the hotels. The standard in Western Australia is very poor by comparison, and that is because hotel acommodation has been looked upon as a poor relation to the bar trade. Unless this clause is amended to make it possible for hotelkeepers to maintain later hours in the evening, I must vote against it.

Progress reported.

BILL—INSPECTION OF SCAFFOLDING ACT AMENDMENT.

In Committee.

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

BILL—JURY ACT AMENDMENT (No. 1).

Second Reading.

Debate resumed from the 4th October.

HON. SIR CHARLES LATHAM (Central [5.37]: The attitude I adopted to similar measures introduced previously has not changed. I have continuously opposed them when they were brought forward. The provisions in the Bill are worse than those dealt with previously, in that it is proposed to compel 100,000 women in the metropolitan area to be placed on the jury list. I have arrived at that figure by consulting the statistical returns of people enrolled and separating the males from the females. Members can verify the figure. Actually it is 100,455 females, but I have allowed the odd 455 to be struck out as being over 60 years of age.

There is a farcical attempt to force 100,000 women to be placed on the jury list when only about 3,600 males are at present on that list. The latter comprise property-owners and persons over 21 years of age. So one can see that the position would be worse than what it was when a similar Bill was introduced last year. The men can justly complain that they have been accused of giving unsatisfactory service because it is intended to put 100,000 women on the jury list forcibly. Their names will be on the list until application is made for exemption. I want to point out the cost of preparing that list; the stamps alone would cost £5,000. It is ridiculous to force women into that position.

One member speaking on this measure considered that it was the attitude of the jury which counted. Evidently it is not realised that the juryman's responsibility is to listen to evidence produced in court, and to decide, on that evidence, whether the defendant is guilty or not. Jurymen are not charged with the responsibility of meting out the sentence. From the speeches made, one would imagine that the responsibility of the juryman was to assess the feelings of the defendant. That is not correct. He has only to decide whether the defendant is guilty of the crime or otherwise. Inference might be drawn as to the state of mind of the defendant, but it is left to the judge to mete out the sentence.

Today, there is great difficulty in getting men to serve on juries, and most of them would offer any possible excuse to be relieved from service. Yet it is proposed to compel 100,000 women to be placed on the list. If that occurs, the proportion of females to males serving on juries will be eight to four. It would be interesting to study the verdicts of such mixed juries.

I made a personal canvass regarding the question and called at all the houses on both sides of one street. Only one women listened to what I had to say. She thought I wanted to get the names of women on to the jury list. In most cases, I got a nasty reception until I explained that I was only seeking the opinion of womenfolk. Generally, women do not want to serve on juries, and we should not force them to do, against their wishes, what other people in the community are not compelled to do. In this House there is an attitude that in some directions, the public should be compelled to do certain things, but in other directions they should not. Unfortunately, there are some woman who desire to serve on juries because it is an exhilarating experience.

Hon. C. W. D. Barker: In that case, they will apply.

Hon. Sir CHARLES LATHAM: Do not blame me for it! I am not responsible for the Bill. Some women do desire to serve on juries. But spare me, if I am ever a defendant, from that class of jury! I do not suppose that at my age I am likely to face a jury. I have not been in a criminal court in my life, but perhaps I have been fortunate. Still, I would not like to be

tried by a jury consisting of the type of women who want to hear about the spicy side of life!

I do not intend to support this Bill any more than I have supported similar measures in the past. The Bill is an insult to our womenfolk. We cannot fully appreciate them if we compel 100,000 of them to be placed on the jury list when only 4,000 males appear at present. Under the existing qualification, we seem to be placing males on a pedestal, because they must be over 21 years of age and must possess some property before they are eligible for service. This is to show that a male is responsible and capable of exercising his mind. That is a very important qualification for jury service, I think, because jurymen have to listen intently and then make up their minds, on the evidence adduced, whether a defendant is guilty or not. When murder cases and cases of a degrading nature were being heard, I should hate to know that there was a female relative of mine sitting an the jury. I oppose the second reading.

HON. J. MURRAY (South-West) [5.45]: Having listened attentively to the various speeches, I have come to agree with Mr. Heenan that this matter was fully debated last year, and that everything that could be said on the subject had been said on that occasion. I go further and suggest that this House last year, after a full and frank discussion, made up its mind that it had no desire to prevent women from sitting on juries, but felt that if a woman desired to serve, she should have the privilege of doing so by submitting her name to the sheriff. This House also decided in its wisdom or otherwise that the age for women to serve should be not less than 30 years.

In listening to the debate this year, I have not heard any argument advanced that would alter my opinion on this question. We heard Mr. Bennetts say in effect that he had voted against the Bill last year or the year before, but on this occasion he would support it despite the threat made by members of his family. As that threat seemed to be a very serious one, I can only conclude that his change of mind, for which he gave no reason, was due to the party to which he belongs having also made a threat.

Hon. G. Bennetts: The women could apply to have their names taken off the roll.

Hon. J. MURRAY: We also heard what Mr. Barker had to say. But what addition did he make to the arguments that had already been adduced? Very little. He told us that if the women were permitted to apply for jury service instead of being compelled to serve, only the old battle-axes would apply. I am curious to know what his description of such ladies would be; and I hope that in Committee he will enlighten us so that it may be recorded in "Hansard", because I am certain that those whose duty it is to review the jury list would want to know so that those people could be definitely excluded. Furthermore, the hon. member did not indicate how it would be possible to exclude those mysterious battle-axes if they formed part of the 100,000 women compulsorily enrolled for jury service. Unless we have a full and precise definition of the term, there is nothing in any Act of Parliament to guide us as to what constitutes a battle-axe.

We were informed by Mr. Heenan that Mrs. Hutchison had given us a very full and conclusive statement of the reasons why women should serve on juries. I regret to say that on this occasion I cannot agree with the hon. member. Mrs. Hutchison certainly put up a very extensive case, in the course of which she pointed out the part that women had played during the war. We give the women full credit for that; but I stress the point that they gave that service voluntarily, which made it all the more acceptable to the people. She went on to say that we had women judges, writers, justices of the peace, lawyers and business executives. So we have, and they have earned their positions, many of them having had to sit for examinations.

Candidates for the office of justice of the peace have to submit to an examination by the Crown Law Department or the Police Department before their names are put on the list. Consequently, there is every reason why women should not be placed on the jury list holus bolus. Mrs. Hutchison also mentioned that we had women members of Parliament. That is so; but before they became members, they had to submit themselves to the electors, and the electors decided that they should become members. After reviewing all the arguments that were advanced last year and this year, I have decided to support the second reading and the amendments of which notice has been given.

On motion by the Minister for the North-West, debate adjourned.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [5.54] in moving the second reading said: I suppose that this Bill might be described as a hardy annual. However, the Government is very firmly of the opinion that it should continue its efforts to

give the State Insurance Office authority to conduct all forms of fire and general accident insurance business in open competition with the private companies.

There is a persistent public request for such an extension of the State office's responsibilities, and the Government feels it would be lacking in its duty to the electors if it failed to make further efforts to get this measure approved.

Hardly a day passes without written and oral requests to the State Insurance Office for the insurance of property. Representations have been made by many local government authorities, who are so pleased with the results obtained from the Local Authorities Pool that they are desirous of transferring all their business to the State office. I have a letter from the eastern ward of the Road Board Association expressing its entire satisfaction with the administration of the pool and the reduction to the member boards in the cost of their insurance.

No one can deny that insurance is a "must" to the humble house-owner as well as to the industrial tycoon, as without it, a lifetime's savings could disappear overnight and many industrial establishments could be ruined. With the present high cost of living, every shilling paid by the house-owner, whose only assets may be his home and his furniture, is felt, and surely it is the bounden duty of Parliament to accept and even exploit every avenue that will lead to a reduction in the cost of production, no matter how small the saving may be.

Hon. H. L. Roche: How much saving would be effected?

The CHIEF SECRETARY: Quite a lot. Champions of private industry in this House have repeatedly opposed any increase in workers' compensation benefits on the ground that industry could not afford to pay the slightly higher premiums which would be involved.

Hon. H. Hearn: We increased them last year.

The CHIEF SECRETARY: But last year the House went only a small way along the track. Yet, by refusing to extend the business of the State Government Insurance Office, members are content to allow industry to continue to pay exorbitant premiums for all other classes of insurance which produce colossal and unjustifiable profits for the companies. Whether the profit is derived directly from underwriting or from interest on investments is immaterial. If it is felt unwise to reduce premium rates, some proportion of the the profits could be returned to the insured by way of rebates or bonus issues, as is done by the Government offices in New South Wales, Queensland and New Zealand.

I have some figures extracted from "The Insurance Monitor," which relate to fire and general accident business, and which give some indication of the enormous profits enjoyed by the companies—

Issue of 3/7/54; Motor Union Insurance Company.

> The dividend is repeated at 47 per cent. less tax.

Issue of 29/5/54; London Assurance Company.

> The dividend for the year is 20s. per £2 10s. share less tax, against 18s. 9d. less tax for 1952.

Hon. H. L. Roche: Does not the State office show those profits?

The CHIEF SECRETARY: Yes, and that is why we want the public to enjoy the benefit of State insurance.

Hon. H. L. Roche: Then why does not the State office reduce the premiums?

The CHIEF SECRETARY: Because the House has not given the people an opportunity to enjoy reduced premiums. The figures I am quoting have not been concocted by us, but have been extracted from various journals. If the hon. member opposes this Bill, he will have something to answer to his farmer friends.

Issue of 14/5/55; London Assurance Company.

> Final dividend payable on the 1st July of 12s. per share less income tax on the ordinary shares of £2 10s. each. With the interim dividend of 10s. per share less income tax already paid, this makes a total of 22s. per share less income tax for 1954. Recommendation to be submitted to an extraordinary general meeting that each of the £2 10s. shares in the issued capital of the corporation be subdivided into 10 ordinary shares of 5s. each.

Issue of 29/5/54; Provincial Insurance Company.

> . . . . of which £110,000 was in respect of the ordinary dividend of 2s. per 5s. share less tax.

Issue of 4/6/55; Provincial Insurance Company.

> It is proposed to increase the ordinary capital by the capitalisation of a special £500,000 capital reserve formed for that purpose, and to issue 2,000,000 shares of 5s. each credited as fully paid.

Issue of 29/5/54; Sea Insurance Company.

> The dividend was repeated at 25 per cent. less tax.

Issue of 28/5/55; Sea Insurance Company.

Dividend repeated at 25 per cent. less tax. Interest earnings not only cover the 1954 dividend, but also are sufficient to pay a dividend at the current rate of 25 per cent. on the increased capital of 1955.

29/5/54; Yorkshire Insurance Company.

The dividend is repeated at 16s. less tax per £1 of paid up capital, to which it was raised from 12s 6d. per £1 of capital a year ago.

Issue of 28/5/55; Yorkshire Insurance Company.

The dividend for the year was raised from 16s to 19s. 6d. less tax per £1 of paid up capital, and the balance of profit and loss account was substantially higher than that of a year ago.

Issue of 19/6/54; Economic Insurance Company.

The dividend was repeated at 33⅓ per cent. less tax.

I am dealing with the actual returns to the shareholders.

Hon. L. Craig: Some of those companies are 50 years old and the market value of the shares, over the years, has been £4 or £5.

The CHIEF SECRETARY: That makes no difference to the rate of profit they are making.

Hon. H. Hearn: Of couse it does! But you are not a shareholder.

The CHIEF SECRETARY: I am not. The amount of capital invested was £1 and here is an example of a dividend of 19s. 6d. on every £1 share.

Hon. H. Hearn: You lose sight of the fact that they may be quoted today at £5.

The CHIEF SECRETARY: Never mind that! It is what was invested that counts. What is the hon. member afraid of? If these are such good companies, why not allow the State Insurance Office to come into the picture?

Hon. N. E. Baxter: These are world-wide organisations and are not deriving their profit from Western Australia.

The CHIEF SECRETARY: If they are such good companies, they would swamp the State Insurance Office and so would be no worse off. Members know, as well as I do, that the State Insurance Office would be of great benefit to the people of Western Australia if allowed to participate. The State Insurance Office is not being given a monopoly.

Hon. H. Hearn: You asked for a monopoly on one occasion.

The CHIEF SECRETARY: I asked only for the right for the State office to enter into competition.

Hon. H. Hearn: Like the State Saw Mills!

The CHIEF SECRETARY: The State Saw Mills has kept prices down.

Hon. H. Hearn: That is wrong.

The CHIEF SECRETARY: It is right; and at all events, I am not speaking of the State Saw Mills, but of the State Insurance Office. Further figures are as follows:—

Issue of 4/6/55; Economic Insurance Company.

The dividend was increased from 32½ per cent. to 35 per cent. less tax.

Issue of 19/6/55; Licenses and General Insurance Company.

The dividend for the year is increased from 40 per cent. to 45 per cent.

Issue of 18/6/55; Licenses and General Insurance Company.

The dividend for the year is 22½ per cent. on the increased capital of £260,000 against 45 per cent. on a paid up capital of £102,662 a year ago. Presumably bonus share issue.

13/8/55; Monument Insurance Company.

The year 1954 produced further highly satisfactory trading results on an increased premium income for the Monument Insurance Company, an important associate of the Prudential Insurance Company. The dividend is increased from 17s. a share less tax, to 20s. a share less tax, plus a bonus of 40s. a share tax free.

20/8/55; Ocean Accident and Guarantee Corporation.

An important member of the vast Commercial Union Group, the Ocean Accident and Guarantee Corporation enjoyed a very successful year's trading in 1954, the increase in premium income being accompanied by good underwriting ratios—the Fire Account producing an underwriting profit ration of over 20 cent. while the continued Accident Account profit ratio was nearly 8 per cent. on a premium income approaching £17 millions. The dividend was increased from £300,000 to £500,000 less tax.

Issue of 14/5/55; Royal Exchange Assurance Company.

The Court of Directors has decided to recommend the payment of a final dividend of 15 per cent.

This will make a total dividend of 25 per cent. for the year payable on the increased capital of £2,850,000. Presumably bonus share issue.

Issue of 14/5/55; The Northern Assurance Company.

Your directors have accordingly recommended a final dividend of 13s. 6d. on the ordinary shares making a total distribution of 22s. for the year. Dividend increased by 2s. per share.

Hon. N. E. Baxter: Give us the details of some Western Australian companies.

The CHIEF SECRETARY: The hon. member always wants something different from what is being given. He has a one-track mind. At present he has Western Australian insurance in mind and knows nothing else of what is going on. Continuing the figures—

Issue of 30/4/55; Legal and General.

The dividend for the year is raised from 6s. 9d. to 8s. per share less tax. £750,000 of undivided profit is to be capitalised and used to discharge the uncalled liability of 15s. a share on the present £1 ordinary shares with 5s. paid.

It will be noted that the 8s. dividend is on a share paid to 5s. only and there is to be a nice bonus share issue of 15s. per share.

Hon. H. Hearn: Have you the figures for the Southern Union?

The CHIEF SECRETARY: Further figures are—

Issue of 30/4/55; Norwich Union.

The dividend is repeated at £8 per £25 share less tax.

Issue of 14/5/55; Royal Insurance Company.

Dividend raised from 11s. to 12s. 1d. per £1 stock.

Issue of 21/5/55; Commercial Union Assurance.

The directors recommend a final dividend of 2s. per 5s. unit of stock making with the interim dividend of 1s. 4d. paid in November last, a total for the year of 3s. 4d. per 5s. unit of stock compared with 2s. 10½d. for 1953.

Issue of 21/5/55; Caledonian Insurance Company.

By means of a rights issue at £5 per share of two new shares for every seven held by members registered on the 1st April, the company is to issue the £225,000 balance of shares authorised, raising the number in issue to the round million. The existing shares are of £1 each, 10s. paid, and when the issue has been completed it is proposed to make the capital fully paid at £1 million by an effective 100 per cent. scrip issue from share premium uncalled. Thereafter each of the shares will be divided into four 5s. units. The dividend is raised from 5s. to 5s. 6d. a share less tax.

Issue of 28/5/53; Phoenix Insurance Company.

After providing for the dividend increased from 17s. to 20s. a share less tax, the balance at consolidated profit and loss account is higher by £385,075 at £2,534,697.

Issue of 28/5/53; Prudential Insurance Company.

The net dividend on the "A" shares is 23s. 6d. per share, an increase of 1s. and there is a transfer of £62,500 to the dividend reserve fund. The net dividend on the "B" shares is increased from 2s. 6d. to 3s.

Issue of 11/6/55; Car and General.

The ordinary dividend for the year was raised from 65 per cent. to 130 per cent. less tax, the cost of which is covered by net interest alone with a wide margin.

Extracted from Insurance and Banking Journal:—

Issue of May 1955; New Zealand Insurance Company.

The company's dividend was 20 per cent. £1 shares quoted at £8 10s., buyers, no sellers.

Issue of July 1955; New Zealand Insurance Company.

The New Zealand Insurance Company Ltd. is adding 5 per cent. bonus to the final dividend of 10 per cent. making 25 per cent. for the year against 20 per cent. last year.

A recent issue of "The West Australian" revealed that the New Zealand Insurance Company proposed to distribute to shareholders one new share for each one held. This distribution involved doubling capital to £3,000,000. The directors stated that as this move was only a rearrangement of the company's capital and would not affect the earning capacity, future dividends would be correspondingly reduced.

It is obvious that the reduction will not be in future dividends but in the percentage that shareholders will get—10 per cent. on £3,000,000 instead of 20 per cent. on £1,500,000.

I am also advised that £1 shares of another large company operating in this State represent 2s. 6d. per share paid in

cash and 17s. 6d. per share paid by way of bonus share issues. This company is now paying a 12½ per cent. dividend on the fully paid £1 shares. I have no doubt that further research would disclose that the bulk of the paid up capital as disclosed by the financial returns of the companies, would represent bonus shares issues. At the present dividend rates the dividend paid on the cash contribution would be colossal.

It is most interesting to hear the other side of the story, where Government offices are in fair competition with the companies. The oldest established office is the State Fire Insurance Office of New Zealand which commenced operations in 1905. The following is a summary of the rate reductions, rebates and bonus issues effected by that office:—

1905: Thirty-three and a third per cent. off rates on dwellings and the like risks and 10 per cent. off rates on other classes. It was estimated that within twelve months the whole insured public of the Colony benefited by an average of 25 per cent. off premiums.

1923: Rebate system established. Fifteen per cent. rebate allowed off premiums. In 1924 it was reduced to 10 per cent., but in 1925 it was fixed at 12½ per cent., and maintained at this rate during subsequent years. The State Fire Office was the first fire insurance office in New Zealand to allow bonus rebates.

1933: Additional and special rebate from 7½ per cent. to 12½ per cent. given on dwellings and farm risks.

1936: The rebate of 1923 and the additional special rebate of 1933 were converted into a permanent rating reduction. In addition, a new system of graduated bonus rebates was instituted whereby policyholders of one year's standing received 10 per cent., of two years' standing' 20 per cent. and of three years' standing 25 per cent.

1944: The maximum rebates allowed under the 1936 rebate system were converted into a permanent rating reduction and off the new gross rates thereby fixed, bonus rebates of 10 per cent. or 15 per cent. were allowed.

1947: From the 1st November, 1947, a 20 per cent. rebate on both brick and wood (replacing both 10 per cent. and 15 per cent. rebate).

1949: From the 1st October, 1949, a 10 per cent. rebate on all first-year premiums.

1950: From the 1st January, 1950, a 25 per cent. rebate on renewal premiums (both brick and wood) replacing the 20 per cent. rebate allowed in 1947.

1951: Rebate on renewal premiums increased from 25 per cent. to 33⅓ per cent.

1954: Bonus rebate on dwellings A to E tariffs increased for the first year from 10 per cent. to 33⅓ per cent.

In appreciation of the support it has received, the State Fire Board declared an additional 10 per cent. bonus rebate on all policies renewed during jubilee year. The amount returned to State fire policyholders by way of bonus rebates, apart from reduction in rates, is £1,395,908. During its existence it has paid £1,660,933 in taxation.

In New South Wales the State office has consistently issued bonus rebates to those insuring with it and the extent to which policy-holders have benefited by such rebates is indicated by the following extract from the official report for the year ended the 30th June, 1954:

> In pursuance of its policy of paying regular bonuses to its policy-holders the office reserved the sum of £341,816 16s. 6d. for such bonuses as at the 30th June, 1954, thus making the total amount so paid or reserved for payment during the last twelve years £1,888,182 8s. 0d.
>
> This figure does not take into account the substantial reversionary bonuses declared in respect of life policies.

The Bonus Equalisation Reserve at the 30th June, 1954, amounted to £564,000. To the same date, an amount of £423,605 was paid into a special hospital account.

Sitting suspended from 6.15 to 7.30 p.m.

The CHIEF SECRETARY: Prior to the tea suspension I was giving members some information regarding the New South Wales State Act, and now I intend to give some figures regarding Queensland. Extracts from the annual report of the Insurance Commissioner in Queensland for the year ended the 30th June, 1954, read—

> Fire Department: It is again proposed to allow policy-holders in this department a profit distribution of 33⅓ per cent. on renewal premiums. This will be the tenth successive year in which this rate of profit distribution has been allowed.

Hon. L. C. Diver: How do the premiums compare with ours?

The CHIEF SECRETARY: More than favourably.

Hon. H. Hearn: They must have reviewed them lately.

The CHIEF SECRETARY: This extract continues—

> Marine Department: The Profit and Loss Account is very satisfactory and permits the payment of a profit distribution of 15 per cent. on premiums paid during the year ended the 30th June, 1954.

With the limited types of business that the Western Australian office is authorised to handle, the service it has been able to render to the public and the benefit it has been to the State generally is somewhat surprising. The Local Authorities Pool which was established on the 1st July, 1946, with 70 participants had 122 participants by 1954-55. During that period the annual premium income increased from £2,158 to £21,986. Annual cash rebates have fluctuated between 10 per cent. and 28.3 per cent. of the gross premiums—last year it was 23.8 per cent.—the average being 20 per cent. and the amount involved £19,026. The initial premiums were about 20 per cent. below those being charged by the companies.

That is the local experience and shows how the office has been able to handle the business. The figure was 20 per cent. below what they were paying before, and last year there was a 23.8 per cent. cash rebate.

Hon. L. C. Diver: It costs them nothing to collect that.

The CHIEF SECRETARY: Of course, the hon. member would try to get out somehow. Our own local authorities are being saved that sum of money. Let the hon. member go to the local authorities in his own district and suggest to them that this business be taken away from the State Government Insurance Office and given to a private office, and see what sort of reception he would get! It seems to me that when we try to allow the office to compete against other companies, some members want to deny that right and thereby deprive the people of this State of the opportunity to get cheaper insurance than they are getting today.

Hon. L. C. Diver: I have a letter from a local authority asking me to protect its interests.

The CHIEF SECRETARY: We have a letter from a local authority—I think it is in the hon. member's district—

Hon. Sir Charles Latham: No, it is not in his district.

The CHIEF SECRETARY: Then it must be in Sir Charles Latham's district. This local authority wants to dissociate itself from some remarks made by a member. At rates considerably lower than those charged by the companies, and with far more generous no-claim bonuses, the premium income from comprehensive motor-vehicle insurance has increased from £4,115 to £106,422. For a private car in the metropolitan area, the State office rate is £13 compared with the company rate of £16 5s., whilst the no-claim bonus is 25 per cent., 33⅓ per cent., 40 per cent. and 50 per cent., compared with 25 per cent., 30 per cent. and 33⅓ per cent. allowed by the companies.

Again I would say to the hon. member: If we take away the right of the State Insurance Office to enter into this insurance business, we deny the public a right which it has enjoyed.

The schoolchildren's insurance scheme was established on the 1st July, 1954. Under that scheme parents may insure their children against accident for the small annual premium of 3s. 6d. per child with a maximum of 10s. 6d. per family. At the end of the first year the result was so satisfactory that the office increased the maximum benefit from £50 to £85. In the light of such service, is it surprising that people are getting State office conscious and have asked that its activities be extended? Do not let us forget that no other company would quote for this insurance cover for schoolchildren. Had it not been for the State Government Insurance Office there would have been no cover for schoolchildren today.

Hon. F. R. H. Lavery: The same as with silicosis.

The CHIEF SECRETARY: Apart from the benefits to the insured, the following contributions have been made to assist the State:—

	£
Invested in S.E.C. loans	507,000
Payments to the State Treasurer	727.000
Loan to State Housing Commission (negotiated in July, 1952)	170.000
New office building, fittings, etc.	480,000
Loans to Local Government authorities and quasi-governmental instrumentalities	68,000
Total	£1,952,000

The new building, which could not have been erected out of Loan or Revenue Funds, will house a number of overcrowded Government departments. These investments are from State Government Insurance Office funds only, and do not include any investments from the Government Fire, Marine and General Insurance Fund, or from the Government Workers' Compensation Fund in respect of which the office acts as agent for the Treasurer. Perhaps members who oppose the Bill could furnish me with figures showing

the aggregate amount directly invested in this State by the companies operating here.

Early this year the State office was approached by the viticulturists with a request that some scheme of insurance be introduced to protect the growers from losses due to flood damage, at that time estimated to reach £75,000. Nothing could be arranged, however, for two reasons—

1. The office has not the statutory authority to accept the business.
2. While the companies received the premiums on the good risks the State office, even with the statutory authority, could not accept the more hazardous risks only.

One viticulturist was paying £600 a year in insurance premiums for the good risks.

If the Bill were passed and the State office were able to accept the best types of risks, there is no doubt that much could be done to ease the position when such a calamity as the February floods occurred.

The choice now lies between supporting a measure which, by letting the State office enter into fair competition with the companies would enable it to render a far greater service to the public, and to materially assist the State in its development; or supporting the insurance companies, whose only concern is the making of colossal and unreasonable profits, from which those contributing the premiums receive no return and the State receives little, if any, direct assistance.

In support of the private companies it has been said that certain companies paid a dividend of only about 6 per cent., which when related to shareholders' funds was reduced to under 3 per cent. These figures do not reveal the true position. Shareholders' funds are comprised of issued capital and reserves and undistributed profits. The issued capital is cash contributions and bonus share distributions from accumulated profits and there is little doubt that, taking the companies as a whole, the bulk of the issued capital would represent bonus share issues.

These high reserves and undistributed profits have been created after very substantial dividends have been paid, the only cash introduced into the company being that subscribed by the shareholders which, as I have said, would probably represent a small proportion of the issued capital. It is quite correct to relate the profit earned to the total shareholders' funds, but that is merely for the information of shareholders.

But the dividend is always declared on the issued capital only. In the light of the colossal dividends—representing extremely high percentages on issued capital—which have been paid out from year to year, it must be obvious that if those percentages are related to total shareholders' funds and are thereby reduced to 2 per cent. or 3 per cent., then there must have been a tremendous accumulation of reserves and undistributed profits. Whilst the financial position of a company affects the market value of the shares, the converse does not apply, as the market value never influences the company's financial position. It is doubtful if the majority of investors are aware of the reserves and undistributed profits of many companies, their only concern being the return which can be expected on the sum invested and their only guide being the dividend declared as a percentage of issued capital.

The argument therefore does nothing but support the claim that the companies are making huge profits. It cannot be gainsaid that these substantial profits, which have enabled such high dividends to be paid and such reserves and undistributed profit to be accumulated, have come from the pockets of the insuring public and have not been directly contributed to by cash investments by shareholders. One would think that it was high time that the companies considered creating some form of bonus reserve, as is done in the New South Wales Government Insurance Office, and would be done by our own State office, to enable some rebates to be made to their insured.

An interesting point, and one very relevant, is that the public are never invited to invest in any new insurance company about to be established, as the capital is readily subscribed by a very few already interested in insurance companies. As a matter of fact, many are merely subsidiary companies established by the older companies.

The July issue of the "Australasian Insurance and Banking Record" contains the following reference:—

> New Company. A new company named Mercury Insurance Limited with head office at Richmond has been registered with a capital of £5,000 in £1 shares.

I was rather dubious about quoting those figures because it seemed impossible to think that an insurance company would be able to commence business today with a capital of only £5,000. But, apparently, it is quite correct. I would suggest that very few companies other than insurance companies would establish a sound business on such a small capital; and it is perfectly obvious that the company, like all companies of a similar nature, will be built up from future profits.

I have seen a brochure stated to have been issued by the Association in W.A. for the Promotion of Private Enterprise, and which obviously has been compiled by the Fire and Accident Underwriters' Association. The title of the pamphlet "Freedom to Shop Around" is a misnomer, as instead of the individual being free to insure at the lowest possible premium, it

is the desire of the insurance companies that he be restricted to insuring with a company which has no freedom at all to reduce its premiums below the tariffs determined. In other words, the individual is expected to insure with a company forming part of an insurance monopoly.

It is not true to allege that if this Bill became law it would be a further step towards socialisation of industry. Such a statement might have been justified if this were the first Bill of its nature introduced in any of the Commonwealth States or elsewhere, but experience over the years lends emphasis to the lack of truth behind that statement. Since 1905, 1927, 1916 and 1919 respectively, the New Zealand, New South Wales, Queensland and Tasmanian Government Insurance Offices have been operating in open competition with the insurance companies, but throughout the years there has been no move towards the socialisation of industry generally, and it is not likely that the passage of this Bill would give any impetus towards such a move in this State.

It is not true to say that in insurance today there is an intensely keen and healthy competition among private companies. As members know, the companies are bound by the Underwriters Tariff, and special permission must be obtained before any one company can reduce its rate —even to compete with the State Government Insurance Office in respect of the types of business it has the statutory authority to accept.

Hon. H. L. Roche: That does not apply to the non-tariff companies.

The CHIEF SECRETARY: At the moment I am dealing with tariff companies. It is stated in the brochure that free enterprise has been the backbone of the development of our nation, particularly in this State where never before has its benefit been more evident. I think it would be more correct to say that the development of this State is due more to the amount of loan money invested by various governments from time to time than to the development of private enterprise. Capital is invested in this State, as well as elsewhere, only when private enterprise feels it can be profitably invested, and that almost invariably follows developmental work undertaken by governments.

The brochure further states that private insurance companies have catered over the years most adequately and efficiently for the needs of the public and industry generally. Such a statement is true only in respect of the non-hazardous risks which are likely to produce substantial profits for the companies. For instance, no effort has been made to alleviate the distress caused by the substantial losses incurred as the result of flood damage to viticulturists which last year amounted to approximately £75,000.

If the State Government Insurance Office had the right to handle the good risks on behalf of the public generally, then there is little doubt that, if not able to take the whole of the risk, the office would be able to introduce some scheme which would tend to cushion the effect of such losses.

The final paragraph of the brochure reads as follows:

> Competitive enterprise has worked and will continue to work in providing a greater degree of freedom and prosperity than any other economic system so far devised.

All this Bill seeks to do is to allow the State Government Insurance Office to enter into fair competition with the companies and to provide a greater freedom to the individual in giving him a wider choice in the selection of his insurer. Private enterprise will never provide a greater degree of freedom and prosperity whilst the main motive is profit earning and the individual has to continue conducting his business with companies which have no alternative but to charge the tariff rates fixed.

Turning now to the contents of the Bill. The clauses are largely self-explanatory. Members are well aware of their implications. I have already put the case for the main proposals in the Bill; that is, the right of the State office to enter into all forms of insurance except life assurance. The deletions referred to in Clauses 2(a) (b) are necessary because of the extension of the scope of the business which can be undertaken by the State office in accordance with the provisions of Clause 4.

The amendment in Clause 2(e), which alters the title of the chief administrative officer from that of "Manager" to "General Manager" is necessary because of the appointment of branch managers in the event of the Bill being accepted. The term "General Manager" is used in New South Wales and Tasmania; and in Victoria and Queensland, the title of "Commissioner" applies.

The amendment in Clause 2(d) is to avoid unnecessary repetition of the words "State Government Insurance" throughout the Act. The full title will appear only in the definition and the term "Office" will be used thereafter. Similar consequential adjustments have been made throughout the Bill.

Clause 4(b) seeks to preserve the present appointments of officers of the State Government Insurance Office under the Public Service Act, 1904-1950, and further provides that other officers with special knowledge may be appointed from time to time to meet the requirements of the office. The appointment of casual employees, such as agents, assessors, adjusters, etc. would be made by the general manager.

The parent Act provides that the Minister shall, by the name of the State Government Insurance Office, be a body corporate, etc. It is deemed desirable to make the State Government Insurance Office a body corporate as this would, in the event of litigation arising in respect of claims, facilitate an approach to the court. It might prove more difficult to sue a Minister of the Crown than the State Government Insurance Office as a body corporate. The proposed provision is the same as that now contained in the New South Wales Act.

Clause 8(f) indicates the funds which shall be established by the office at the Treasury and the nature of the accounts which shall be kept by the office. It will be observed that separate accounts must be maintained to show all transactions relating to industrial disease insurance as distinct from other business of the office.

Clause 8(g) provides that a separate banking account shall be maintained by the Treasurer to which shall be credited all revenue received by the office and against which all expenditure shall be debited. For many years no special banking account has existed; and at times, difficulty has arisen in providing the necessary cash to enable investments to be made as required by the manager. As from the 1st January last, a special banking account was established, and since that date the cash has always been available for immediate investment. It is felt that a concern such as an insurance office must, subject to the Treasurer, have absolute freedom in the investment of any funds available, as obviously the greater amount of interest earned improves the financial position of the office and must ultimately redound to the benefit of clients. This provision really gives statutory approval to what has already been done and ensures that the present position will be maintained.

For many years the office has acted as agent for the Treasurer in respect of the State Government Fire, Marine and General Accident Fund and the State Government Workers' Compensation Fund. On several occasions underwriters with whom the State office reinsures, have raised the issue as to the legal status of the office in respect of the State Government Fire, Marine and General Insurance Fund. If the office is to continue to act as agent, it is essential that it should be in the same position in regard to transactions through the fund as it would be in respect of transactions conducted by the State office.

The provision in Clause 9 will enable action to be taken against the office should the necessity arise. This amendment is considered essential by the State Crown Solicitor. As in the past, any profits made by either of the funds will remain the property of the Treasurer, to be dealt with in such manner as he deems fit and will not be regarded as part of the profits of the State office.

Those are the main essentials of the Bill; and the figures I have given, and the benefits that will accrue in the avenues in which State insurance has been operating, clearly indicate that it has proved itself. In view of the profits and rebates, and so forth, that appertain to the State office, I think members who intend to oppose the Bill will have something pretty solid to knock over. I suggest to members that they will be faced with the position that they may be friends with the insurance companies, but this Bill will put them on the spot.

Hon. Sir Charles Latham: You have no right to say that we are friends with insurance companies.

The CHIEF SECRETARY: I say that members may be.

Hon. Sir Charles Latham: You have no right to say that. You are giving us permission.

The CHIEF SECRETARY: I am not.

Hon. Sir Charles Latham: Just analyse your words.

The CHIEF SECRETARY: I say members may be friends with the insurance companies. I am putting the hon. member and others on the spot when I say that they may be friends with the insurance companies and may like them very much. When they vote on this Bill, however, they must decide whether they are going to support those insurance companies, or whether they are going to give the individuals of this State a further choice of insurance with the possibility of profits going back to the people of the State.

Hon. L. A. Logan: They have 81 choices now.

Hon. J. D. Teahan: Let them have 82.

The CHIEF SECRETARY: If an insurance company from overseas comes here and it does not have one shareholder resident in the State, it can operate. But here is our own insurance company, and the whole of the money subscribed will be paid by the people of this State. Yet it is possible that members will seek to deny the people the right to have this means of insurance, but will permit some company from overseas to come here and establish itself in business. It will be pretty hard for members to vote against this measure. If I were attempting to put a monopoly over insurance—

Hon. H. Hearn: Which you did once.

The CHIEF SECRETARY: It was so long ago that I have forgotten.

Hon. H. Hearn: You have a convenient memory.

The CHIEF SECRETARY: I might have reformed since those days. If the people do not wish to use the State Insurance

Office there is nothing to compel them to do so. All that is required is to give them the opportunity to insure with the State office if they wish. The intention behind this measure is for the profits made eventually to go to the benefit of the State. Is there anything wrong with that? If any member can put up an argument against it, I will be very pleased to hear it. I move—

> That the Bill be now read a second time.

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

BILLS (3)—FIRST READING.

1, Prices Control.
2, Junior Farmers' Movement.
3, Swan Lands Revestment.

Received from the Assembly.

MOTION—ROAD DISTRICTS ACT.

To Disallow Petrol Pumps By-laws.

Debate resumed from the previous day on the following motion by Hon. L. A. Logan:—

> That amendments to Road Districts (Petrol Pumps) By-laws, 1934, made by the Department of Local Government under the Road Districts Act, 1919-1951, published in the "Government Gazette" on the 27th May, 1955, and laid on the Table of the House on the 9th August, 1955, be and are hereby disallowed.

HON. L. A. LOGAN (Midland—in reply) [7.59]: I would like to make one or two observations in replying to the debate on this motion. First I would like to correct a wrong impression which was conveyed to this House by the Chief Secretary the other night, when he said that it did not matter how trivial the matter might be that was brought here, the motion concerning it was always carried, irrespective of its merits. I do not think the Chief Secretary can give one example of a trivial matter having been placed before this House. There is nothing trivial about the motion for the disallowance of these by-laws. A very great principle is involved; and I do not believe that, when we are dealing with principles, we are dealing with anything trivial. The Chief Secretary had no right to cast reflections upon the House in the way he did. He said that a by-law was introduced in 1935 and these by-laws were a carry-on from that.

The by-law of 1935 is still in operation and has nothing whatever to do with the ones under discussion. The Chief Secretary should have discussed the motion before the House rather than revert to 1935 and draw a red herring across the trail. The 1935 by-law dealt mainly with bowsers on footpaths, and the danger that might accrue therefrom. It had nothing to do with the number of bowsers that might be established. The by-laws I have moved to disallow deal with the area in which bowsers may be placed.

It was also stated by the Chief Secretary that it was at the wish of 10 local authorities that these by-laws had been tabled. When the executive of the Road Board Association asked the Chief Secretary to do a certain thing, he did not believe in it and did not go on with it. But when 10 members of the same organisation ask him to do something, he does it. To follow that sort of reasoning is hard. He did not go to the executive and ask its members to discuss the matter, but he agreed to the representations of 10 local authorities. Yet when the executive puts something up to him, he completely ignores its wishes.

Reference was also made by the Chief Secretary to the East Fremantle Municipal Council. He said that a by-law affecting that municipality had been laid on the Table of the House, and that I should have known about it and taken exception to it. I want to know why I should be looking through the by-laws of the East Fremantle Municipality! A case such as this indicates the necessity for a regulations committee such as was suggested by Dr. Hislop. Regulations like those gazetted on behalf of the East Fremantle Municipality would come before such a committee, and members would then be in a position to know what regulations were being tabled. I have sufficient to do in looking after my own area without worrying about East Fremantle; and I do not think it is quite fair for the Chief Secretary to say that I should have objected to the East Fremantle by-law.

Much has been said about service stations on railway property. Mr. Davies told Mr. Baxter that he was not correct when he made reference to what was going on with regard to railway property. I know for a fact that in two places in my district the Railway Department has completely ignored the local authority and done exactly what it wanted to do, and not what the local authority desired. In the metropolitan area there are two service stations within 150 yards of each other at Guildford. So the fact that an agreement may have been reached between the two Ministers does not alter the fact that they have not played the game in the past.

Hon. N. E. Baxter: It is a verbal agreement.

Hon. L. A. LOGAN: Yes, it is only a verbal agreement. Mr. Davies was also worried that service stations might become white elephants, and that they were being built on our main highways. Where else are they likely to be put? They are

not likely to be placed in back lanes, where motorists do not go as a rule, but in the main business areas where the trade takes place.

Hon. E. M. Davies: The experience of older countries has been that quite a lot have become white elephants.

Hon. L. A. LOGAN: That might be so. But to put them in back streets would be to make them white elephants from the start. Naturally, it is necessary to follow trade and establish them on highways. But if some became white elephants, they could be used for parking places, as a solution of our parking problems.

The Minister for the North-West: That would mean resumptions, would it not?

Hon. L. A. LOGAN: Not necessarily. What is wrong with the present occupiers using them and charging parking fees? As a matter of fact, some are doing that today. They are using areas alongside service stations as parking areas, and running car-owners into town and out again so that only one car is used; and they are fulfilling a useful purpose in that respect.

I consider that service stations are just as legitimate as any other business. If we are going to control them, we should control other businesses in the same way; but I do not think members want that.

The Minister for the North-West: They are highly inflammable.

Hon. H. Hearn: So are furniture factories.

Hon. L. A. LOGAN: Service stations are a legitimate business.

Hon. F. R. H. Lavery: I would not say they are comparable.

Hon. L. A. LOGAN: They are quite comparable.

Hon. F. R. H. Lavery: I was referring to furniture factories.

Hon. L. A. LOGAN: I will give instances of what occurs in regard to other businesses. If members will walk along Hay-st. between here and William-st., they will find that there are six secondhand-car dealers in that area, and nobody can tell me that there are not a number of secondhand-car dealers in the rest of the metropolitan area. It might be said that there are too many, and I might agree. But are we legislating to prevent the establishment of others?

Hon. F. R. H. Lavery: You would not deny that they are privately owned.

Hon. L. A. LOGAN: The premises are not. Tenants are paying rent for the premises, just as service-station owners are.

Hon. E. M. Davies: No.

Hon. L. A. LOGAN: Of course! Who owns the properties down Hay-st.? Not the secondhand-car dealers. In the same area there are seven new-car dealers and eight furniture shops. If we do not disallow these by-laws, is it not possible that the proprietors of the furniture shops will go to the Perth City Council and say, "What about putting up a regulation to prevent other furniture dealers from establishing shops in this area?"

Hon. E. M. Davies: Those shops can be used for other purposes.

Hon. L. A. LOGAN: I have already said that service stations could be used for other purposes.

The Minister for the North-West: We do not find the other shops on every corner.

Hon. L. A. LOGAN: If I were to ask how many butcher shops there are between the Causeway and the Cannington agricultural hall, how many members could answer?

Hon. E. M. Davies: There is no analogy between the two cases.

Hon. L. A. LOGAN: One is as good a type of business as the other. There are 25 butcher shops in that area. Suppose the owners decided to ask the Minister to introduce a regulation that no other butcher shops could be set up? Do members think we should agree to that?

Hon. A. F. Griffith: If they sold one brand of meat, yes.

Hon. L. A. LOGAN: They might sell only one type. It might all be cheap meat.

The Minister for the North-West: That will be the day!

Hon. L. A. LOGAN: We might even get down to looking at the doctors. In the very small area between the Tivoli Garage and George-st. there are almost 100 doctors. They might say, "We do not want any more around here. What about a regulation to keep others out?" They would be as much entitled to do that as we are entitled to agree to by-laws against the establishment of service stations.

Hon. E. M. Davies: There is no analogy at all.

Hon. L. A. LOGAN: The analogy is that in each case the freedom of the individual would be affected.

The Chief Secretary: What are the oil companies doing to individuals? They have a choice as to whom they shall deal from, haven't they!

Hon. L. A. LOGAN: Up to date, it has been a matter of freedom for the individual to make his own arrangements. He has gone into the business with his eyes open. He may have been told a story the truth of which he should have checked, but he has gone into the business of his own free will, and has not been compelled to do so.

Hon. F. R. H. Lavery: Do you believe in the wholesaler being the retailer also?

Hon. L. A. LOGAN: Not necessarily.

Hon. F. R. H. Lavery: That is what you are doing.

The PRESIDENT: Order!

Hon. L. A. LOGAN: Let us see what would have happened had these by-laws been in operation 12 or 18 months ago.

The Chief Secretary: It is a pity they were not.

Hon. L. A. LOGAN: If they had been administered to the letter, what would have happened to Ampol and C.O.R.? Ampol is the company responsible for searching for and finding oil in Western Australia.

The Minister for the North-West: No.

Hon. L. A. LOGAN: Yes. If these by-laws had been in operation, it would have been almost impossible for that company to get into the really good areas where a prosperous business could be set up.

The Minister for the North-West: I asked them if they were interested in the North-West, and they are not.

Hon. L. A. LOGAN: I mentioned C.O.R. The sum of £40,000,000 was spent at Kwinana, and C.O.R. is the selling agent for the Kwinana company. It could have been affected by a by-law such as this. I am pointing out what could happen under restrictive legislation, which I do not think we have the right to impose.

As a result of the debate, I would say that the cause of all this trouble is the one-brand petrol stations. If that is so, why was a Bill not brought in to deal with them? If the Government is so desirous of helping the service-station owner—and I am just as happy to do that as other members are—why is it not done in the right way by controlling one-brand stations?

Hon. Sir Charles Latham: Why restrict the companies?

Hon. L. A. LOGAN: That is the right way to go about it. If members want to look after service-station owners, that is the way it can be done.

The Chief Secretary: The hon. member would restrict the companies—

Hon. L. A. LOGAN: I have not.

The Chief Secretary: The hon. member would do so, judging from the tenor of his remarks.

Hon. L. A. LOGAN: I did not say anything about that. I said that if members wanted to look after the service-station owners, they could do it that way. I have not committed myself as to what I would do.

The Chief Secretary: You are sitting on the fence.

The PRESIDENT: Order!

Hon. L. A. LOGAN: All I know is that these by-laws will not correct or alter the present position. The other night Mr. Lavery spoke about one service station changing hands twice, and another changing hands three times, and so on. That would still happen, even if these by-laws were agreed to.

Hon. F. R. H. Lavery: That all happened in 12 months.

Hon. L. A. LOGAN: And it would happen in the next 12 months. What about helping them? It will not be done by these by-laws. Why not correct the position in the proper way? It will not be done by by-laws such as these. As I said earlier, it is a matter of shutting the stable door after the horse is gone. If it is desired to help service-station owners, let something concrete be done and let us not go about it by the back-door method of by-laws.

The Chief Secretary: There are still a lot of horses in the stable.

Hon. L. A. LOGAN: In conclusion, let me summarise the situation. The by-laws will not overcome the present situation and will not help the service stations one iota. Secondly, this is not the correct method of dealing with the position; there are other ways of dealing with it if members care to take the opportunity of using them. Thirdly, an important point is that there is still a grave doubt about the legality of these by-laws. Even the Chief Secretary has admitted that. This House has no right to pass a by-law about the legality of which there is a grave doubt.

The Chief Secretary: How do you settle doubts?

Hon. L. A. LOGAN: The Chief Secretary should have his officers find out about them first, and not after we have dealt with the matter in this House. Let him come here and say that the legality is without question. While it is in question, we have no right to pass the by-laws.

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

Ayes	13
Noes	15
Majority against	2

Ayes.

Hon. N. E. Baxter	Hon. L. A. Logan
Hon. L. Craig	Hon. H. L. Roche
Hon. J. Cunningham	Hon. C. H. Simpson
Hon. L. C. Diver	Hon. J. McI. Thomson
Hon. H. Hearn	Hon. F. D. Willmott
Hon. J. G. Hislop	Hon. J. Murray
Hon. A. R. Jones	*(Teller.)*

Noes.

Hon. C. W. D. Barker	Hon. E. M. Heenan
Hon. G. Bennetts	Hon. R. F. Hutchison
Hon. E. M. Davies	Hon. Sir Chas. Latham
Hon. G. Fraser	Hon. H. C. Strickland
Hon. J. J. Garrigan	Hon. J. D. Teahan
Hon. Sir Frank Gibson	Hon. W. F. Willesee
Hon. A. F. Griffith	Hon. F. R. H. Lavery
Hon. W. R. Hall	*(Teller.)*

Question thus negatived.

MOTION—CHAMBERLAIN INDUSTRIES PTY. LTD.

Tabling of Reports by Sir Edwin Nixon.

Debate resumed from the 21st September on the following motion by Hon. Sir Charles Latham:—

> That the two reports made on Chamberlain Industries Pty. Ltd., about the end of 1952, by Sir Edwin Nixon, be laid on the Table of the House.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [8.20]: In speaking to his motion, Sir Charles Latham said that he did not think the action he was proposing would do the company any harm. I suggest to the House that it could have that very effect. It must be appreciated that Chamberlain's competitors are very powerful companies indeed, and I submit it would be wrong in principle and quite unfair in business ethics to make Chamberlain's affairs public. It would be as unjust to do this as it would be to publicise the inner workings and private affairs of all the other competing companies. To lay Sir Edwin Nixon's reports on the table of the House would mean disclosing Chamberlain's confidential affairs to all and sundry. A brief history of the company's affairs would, I think, interest members.

The company was incorporated in December, 1946. At that time the State was seeking new industries to absorb returning servicemen and to form the basis for the postwar development of State industries. There was then the opportunity of putting to local use much wartime plant, which otherwise would have been sold and transferred to other States. Various Commonwealth-built buildings were available for industry, and the availability of pig iron from Wundowie was an additional factor of some consequence to any engineering industry.

The assistance rendered to Chamberlain Industries was designed to capitalise on these various opportunities. The Commonwealth Government supported the establishment of this industry, both by the provision of machine tools at concessional prices and by its agreement to share the risk in financing the industry. It must be admitted, in the light of subsequent developments, that the £40,000 which was the limit of Commonwealth financial liability, is not now a major issue.

The operations of the company have been an important feature of postwar industrial life in Western Australia, the company having provided regular employment for up to 800 people. In many instances the type of employment was new to Western Australia, where very little production engineering had been undertaken before. Chamberlain Industries not only introduced process work on many classes of machines, but in addition created a demand for skilled workers, such as tool makers, pattern makers, etc. The company has trained many of these workers itself. Furthermore, it has also provided very acceptable work for many of the State's engineering shops, through the letting of contracts, principally for the machining of various parts of its products.

The major benefit from this industry, however, has undoubtedly been derived by the primary-producing section, through the provision of tractors and tillage implements, at a time when these were extremely difficult to obtain. Tractor production commenced in May, 1949; and by the end of that year, 94 tractors had been produced. This was much slower production than had been estimated, but was still probably faster than any other Australian manufacturer of similar equipment had achieved. Members may still remember vividly the production difficulties of the early postwar years, when labour was scarce and untrained, when all materials and commodities were in short supply, and when Western Australia, in common with most other communities, was subject to annoying and costly power shortages.

Some 337 tractors were produced in 1950, and 731 in 1951. By the end of 1950, the company's overdraft, guaranteed by the Government, was just on £1,000,000; and by the end of 1951, this had increased to £1,411,000. Then early in 1952, tractor sales fell away almost to nothing. This was due to a combination of circumstances: to a drought in Queensland and New South Wales, and to the impact of provisional taxation on farmers, plus an appreciable recession at that time which affected the whole community to some extent.

The Commonwealth had permitted the importation of a vast number of tractors, including about 20 foreign makes, many of which were totally unknown to Australia and some of which came from alien countries with which we were recently at war.

As a result, at a time when sales fell off, the market was greatly over-supplied. These circumstances affected the company's finances drastically, and the bank overdraft reached £1,750,000 by the end of March, 1952.

At that stage, the company was forced to seek other lines of production to occupy its plant and to employ its labour, although labour had been reduced very considerably. Early in 1952, therefore, the company commenced the manufacture of tillage implements, initially a scarifier and later a disc plow. In common with the company's tractors, these were excellent equipment and sold readily.

While the company has since carried on, production has not been profitable, and the liability of the State has increased steadily.

At the 30th June, 1953, the overdraft was approximately £1,750,000; at the 30th June, 1954, £2,250,000; at the 30th June, 1955, approximately £2,500,000. At one stage, the bank was supporting this company to the extent of over £3,000,000, through overdrafts and discounted bills; whilst, in addition, there is Government assistance amounting to several hundred thousand pounds, through the provision of buildings, machine tools, etc.

Hon. H. Hearn: Is the money stil going down the sink?

The CHIEF SECRETARY: Despite this unfortunate recurring loss, and the very worrying continual increase in Government liability, it is considered that an open discussion and subsequent publication of the company's affairs could only be harmful to the industry.

Hon. C. H. Simpson: I would say it would be very necessary.

The CHIEF SECRETARY: It is up to the hon. member to decide what action he will take in connection with it. I am merely placing the facts before the House. Although Chamberlain Industries have endeavoured to cater for a specially heavy duty field with both their tractors and implements, there is, nevertheless, very keen competition, particularly from the powerful companies of Ford and International Harvester; and it is considered that the company's sales must necessarily be prejudiced by the publication of their confidential affairs, and by the implied criticism of the continuing Government financial support.

Whilst it is recognised that the company is practically wholly financed by the Government, at the same time the Chamberlain family have pledged all their family assets as security for this industry. It is thought that if there were a fear in the public mind that the Government support might be withdrawn, the company's sales would become increasingly difficult and it might have to admit defeat.

From the 30th June, 1949, to the 30th June, 1950, the company produced 2,628 tractors; from 1952-53 to date, 2,010 ploughs; and from 1951-52 to date, 1,393 scarifiers. The company is genuine. Its activities have been of considerable value to the State, and I submit it would be a breach of confidence and basically wrong to disclose all its business affairs in Parliament.

I have advised Sir Charles that he can inspect the reports, if he so wishes; and I feel that would be more desirable than to reveal publicly the confidential affairs of the company. I made that offer to him early in the piece; I think it was by way of an answer to a question. I do not know whether he has availed himself of it. Those are the facts as given to me. It does appear that it would not be a very good thing for these reports to be placed on the Table of the House.

Hon. L. Craig: There is the waste of public funds, you know.

The CHIEF SECRETARY: That is so; but I think the desires of members could be achieved by some means other than that of throwing the papers on the Table and allowing the newspapers to come in and pick out what they liked from them. That is not desirable. If it were a Government industry, yes.

Hon. Sir Charles Latham: We only want to see the reports of Sir Edwin Nixon, nothing else. I want to find out whether the remedy he suggests is being followed.

The CHIEF SECRETARY: The hon. member has had the offer to see the reports.

Hon. H. Hearn: Would you extend that offer to any member?

The CHIEF SECRETARY: Yes. I would like to mention the Albany Superphosphate Works. Quite a lot of Government finance—from memory more than £640,000—has been made available to that enterprise.

Hon. N. E. Baxter: There is a big difference between that sum and £2,500,000.

The CHIEF SECRETARY: Industries grow. Should the Albany Superphosphate Works meet with adversity it might find itself in the same position as Chamberlain Industries. Would any member want all the details concerning the Albany Superphosphate Works laid on the Table of the House?

Hon. Sir Charles Latham: He would be entitled to ask for them.

The CHIEF SECRETARY: Of course. But is it best, on all occasions to lay bare to the public view all matters that concern a private company? The Rugby cement company was another concern which received considerable support from the Government.

Hon. L. Craig: The assistance rendered to that company was completely unjustified.

The CHIEF SECRETARY: In my opinion, that turned out a particularly bad deal so far as the Government was concerned. However, the assistance was granted by our predecessors and we had to stand by the contract made. Again, I would point out that in three or four years' time that company could get into a position similar to that of Chamberlain Industries today, and I would be one who would be totally opposed to any motion that required that the reports of the company be laid on the Table of the House.

I repeat that the reports by Sir Edwin Nixon can be perused by any hon. member if he cares to examine them. Sir Charles has achieved his object, in that I have promised that those reports can be examined by him or by any other hon. member if he so desires. Therefore, in my opinion, I think it would be best for everyone concerned if the motion were withdrawn.

HON. L. A. LOGAN (Midland) [8.33]: The remarks made by the Chief Secretary certainly give members some food for thought. But we must keep in mind that when a company has built up a deficit in the vicinity of £3,000,000 we, as custodians of the public money, are entitled to know what is going on. I have no intention or ambition to put Chamberlain Industries on the spot. I appreciate that many of the firm's products are operating in Western Australia, and it is essential that the manufacture of spare parts should continue so that the machines which are being operated on the farms can be kept in production. However, there must be something wrong with the management of this firm when its deficit increases year by year.

Hon. L. Craig: It has not the turnover.

Hon. L. A. LOGAN: I do not think it ever had an opportunity to prosper from the start. It marketed its products too late. When eventually the company put its tractor on the market we were flooded with tractors from the Eastern States. However, when it was suggested to Mr. Chamberlain that the production of tractors had almost reached saturation point, and that he would be wise to use his plant for the manufacture of agricultural machinery, he turned a deaf ear. In fact, I was one who suggested that to him and he said to me, "Mr. Logan, I came here to build tractors," and when I replied, "What is the use of manufacturing tractors when there are enough on the market now?" he said, "I came here to build eight tractors a week, and when I achieve that goal I will turn my attention to something else."

However, at that time, agricultural implements were in short supply, and tractors were in full supply. Mr. Chamberlain maintained, however, that he had an ambition to fulfil, and he continued to produce tractors. After that, two years elapsed before he commenced to manufacture agricultural implements, and then only after pressure had been placed upon him because, following my conversation with him, I suggested to the Minister for Industrial Development that he should place pressure on Mr. Chamberlain to influence him to manufacture agricultural implements. But as I have pointed out, two years elapsed before Chamberlain Industries produced a scarifier, which was followed by a plough which, incidentally, is an excellent machine.

There is no doubt that one of the firm's greatest setbacks was that, just after it had come into production with its tractors, the State was swamped with tractors from the Eastern States. In my opinion, there was a lack of proper management in the first place, and also a lack of appreciation of the markets that could be found at that time; and those circumstances have helped to build up this large deficit. Much of the Government money that has been spent on this project could have been used for other purposes. I know that the Rural & Industries Bank would be most anxious to use that money to make other advances to foster production if it had not been tied up in Chamberlain Industries.

It is our duty to find out what is wrong. As I said before, we have no intention of trying to close this firm down or of putting it on the spot, but we have the right to know what is going on. Contrary to what the Chief Secretary may think, the debate that has followed the introduction of this motion may be the means of giving the company some advertisement. I do not think the Chief Secretary need have any fear in regard to what may transpire if the reports by Sir Edwin Nixon are laid on the Table of the House.

Hon. E. M. Heenan: What about the Press?

Hon. L. A. LOGAN: We could ask the Press to use a little commonsense in this matter; and, in the circumstances, I think it would accede to our request. Therefore, we have nothing to lose but quite a lot to gain by having these reports tabled.

HON. H. HEARN (Metropolitan) [8.37]: I listened with a great deal of interest to what the Chief Secretary had to say. With other speakers, I realise that the motion, if agreed to, could have an adverse effect on Chamberlain Industries, especially if these confidential reports were made public. On the other hand, I would like to point out that the Government has a serious responsibility in this matter. From the figures given to us by the Chief Secretary, there is no doubt that this firm is building up a deficit which has already reached astronomical proportions; and from what one learns around the town—although I admit that one cannot always take much notice of information gained in that way—the time has arrived when the Government should consider this case very carefully and make a statement available to members of Parliament.

After all is said and done, apart from the responsibility that is carried by Cabinet, every individual member of Parliament is bound to ensure that the State's finances are not being wasted. For instance, it would be of interest to know whether the present management of Chamberlain Industries can see any period

ahead when it will be able to turn the corner and, instead of losing money regularly, begin to make a profit.

Speaking as one who has been a businessman for many years, I wish that every bank manager would consider the feelings of his clients in the same way as the Chief Secretary is trying to suggest that we should study the feelings of Chamberlain Industries. I can assure members that if one gets into the red with a bank and cannot fulfil the promises that one has made, one soon has to toe the line, and the bank manager does not care how he hurts one's feelings.

The Chief Secretary: But they do not publish the details of one's private affairs in the Press.

Hon. H. HEARN: I realise that. But in view of the large amount of money that the Government has advanced to this company and the increasing losses that are being incurred, it is time the Government made a statement so that every member of Parliament would know the true position. I believe that at least one-quarter, if not one-third of the total capital of the Rural & Industries Bank is invested in Chamberlain Industries. If that is true, it is a serious state of affairs, and the usefulness of the bank must necessarily be impaired.

I want to pay a tribute to the enterprise shown by Chamberlain Industries in trying to achieve its goal. But surely there must come a time when it will have to face up to its mounting difficulties and its financial responsibility. Therefore, I hope that, in the interests of the Government, the members of this House, and possibly in the interests of the company itself, some statement will be made as to whether there is any prospect of this concern changing from a losing proposition into a profit-making organisation. If that is not likely to happen in the near future, there must be some limit to which any Government would go in making further advances.

Whilst I appreciate what the Chief Secretary has said, and the fact that he has announced that any member of Parliament may inspect the reports made by Sir Edwin Nixon, I think that a solution to this problem must be found shortly; and it should be pointed out to the Chief Secretary that the time has arrived when the whole of the affairs of this company should be reviewed from the point of view of whether it is ever going to turn the corner on the road to success. If not, I am sure every hon. member will agree that we should do something about the matter, because we cannot be responsible for the continued waste of public money year after year.

HON. N. E. BAXTER (Central) [8.42]: This motion asks for the reports made by Sir Edwin Nixon in 1952 on Chamberlain Industries to be laid on the Table of the House. Those reports will not disclose the financial position of the company from 1952 to date. The Chief Secretary, in opposing the motion, has given us very good reasons why the reports should be tabled and made available to us as the representatives of the people of Western Australia.

But, after all is said and done, this is a matter that involves the money that belongs to the public of this State. Therefore, who should have more right to know what is happening to their money than the people themselves? And who has more right to know than we who are their representatives? This motion does not go so far as to ask for all the latest details concerning Chamberlain Industries, but merely that the reports made by Sir Edwin Nixon in 1952 should be laid on the Table of the House so that members may know what were the recommendations contained in those reports, and whether they have been carried out.

In 1952 it was decided that Chamberlain Industries should be conducted by a special committee that was appointed to handle its financial affairs. The question that enters my mind is this: Have the advances made to Chamberlain Industries since that time received the full recommendation of that committee, or have the recommendations made in the report by Sir Edwin Nixon been ignored by the Government in continuing to advance money to this organisation?

That is an important point. I have a fair idea of the composition of the committee appointed to handle the affairs of the company, and I feel that the amount of money advanced to that industry would not have been recommended by it.

The Minister for the North-West: How long has that committee been appointed?

Hon. N. E. BAXTER: Since Sir Edwin Nixon's report was made in 1952. I cannot give the exact date. The committee consists of Mr. Bosisto, an officer from the Treasury, and Mr. Fernie. We should have available the recommendations made in the report referred to, to see whether further advances to Chamberlain Industries were recommended, and whether the recommendation was overridden by the Government. In a perusal of the report, a fair idea of the position in 1952 would be obtained, and members would be given a lead as to what should have been done with that industry.

HON. A. R. JONES (Midland) [8.46]: I support the motion. I have been very much concerned, as have many people throughout Western Australia, with the amount of money which has been put into Chamberlain Industries. It has become very apparent, over the last 12 months in

particular, to clients of the Rural & Industries Bank that the bank did not have the finances available to continue with the work which should have gone on in the case of primary producers who were establishing themselves on the land. From personal experience with the bank I know it has been hamstrung considerably in trying to do the right thing by the people who commenced business with it as a trading bank some years ago, when it set up an establishment in keen and open competition with all other trading banks.

Like Mr. Logan, I recall the occasion when, some three or four years ago, a party of us went out to Chamberlain Industries. When it was suggested by Mr. Logan that the tractor field was well supplied, but that certain types of agricultural machinery were not, the managing director, Mr. Chamberlain, who seemed to be a very arrogant man, said that he had a certain programme in mind and he was not going to deviate from that until the programme had been fulfilled.

Hon. L. Craig: At somebody else's expense.

Hon. A. R. JONES: The Chief Secretary said that the Chamberlain family had put their all into the business.

Hon. Sir Charles Latham: Their original capital was £155.

Hon. A. R. JONES: When we know such a state of affairs exists, and when we know the arrogant manner in which Mr. Chamberlain treated a sound suggestion put forward in regard to the manufacturer of agricultural machinery in short supply, we are all the more convinced that the industry should have gone into another field and produced something that was profitable. But Mr. Chamberlain scorned the idea because he had a mission to fulfil.

Together with others I was keenly interested in what was happening. I do not care if the world knows what the report contains, or what the Government intends to do with the industry. I am opposed to any industry being set up which cannot, in a short space of time, become self-supporting. Here is a classic example of what can happen to an industry manufacturing products for markets that are not plentiful. Mass production is essential for success.

Hon. L. Craig: The industry did not have the ghost of a chance to succeed.

Hon. A. R. JONES: The present Government has put a little bit more into it each time, thinking that the venture would improve as it got under way, and that it had to be assisted to make good. The time has come when a halt should be called to any further assistance. If we cannot find out what has been recommended by perusing this report, then something is wrong. I see no reason why the Chief Secretary should want to hide anything done by the present or any past Government. Not only we in this House, but also people in the country, who read bits of news here and there and who take notice of questions asked, desire to know how much money has gone into this enterprise, and wonder when the end is coming. Primary production in this State can well use the two or three million pounds to much greater advantage than Chamberlain Industries.

HON. C. H. SIMPSON (Midland) [8.51]: I support this motion. I have heard rather disconcerting reports of what has been happening in Chamberlain Industries; but in the absence of factual knowledge I let those reports go, because I thought that those responsible would take the necessary steps to do what was desirable.

I have been very much disturbed by the disclosure of the losses that have been sustained by this undertaking, as indicated in the Chief Secretary's remarks. If this were a private concern it would have gone bankrupt, and trustees would have been appointed. It would have been put under new management, and steps would have been taken to protect the interests of the creditors or shareholders. If it were a matter concerning shareholders, they would have appointed a new board. At least they would have taken some action to retrieve or recoup the losses.

There is no indication that the position is being retrieved. It looks as though the undertaking may go from bad to worse. This seems to confirm the reports that I have received that the people responsible for conducting Chamberlain Industries are dealing with Government funds and are not concerned with making money or cutting losses. They just carry on and let things drift.

I suggest the time has come when no harm will be done—and probably a good deal of good will come of it—by laying the papers on the Table of the House so that members can see what is being done and perhaps suggest some way out of the present difficulty. This country cannot go on supporting unprofitable industries when there is no possibility of the position being retrieved.

HON. L. CRAIG (South-West) [8.54]: I do not feel inclined to support the motion, because this is a private industry. If the practice is to disclose the affairs of private industries which happen to be assisted by the Government at any time, by laying the relevant papers on the Table of the House, then numerous undertakings

in Western Australia would be placed in an unfair position. If members were to ask for all the papers relating to those undertakings to be laid on the Table of the House it would make the ramifications of 30 or 40 industries public. On that score it is an unwise step.

The debate on this motion has been very sound. As parliamentary representatives, we have every right to see that public funds are wisely spent, and that the continuance of inevitable waste is stopped. I can see no hope whatever for Chamberlain Industries, particularly on tractor production. To compete against the huge industries of Britain and the United States, a local industry must have a large turnover. In manufacturing, the industry that has a large turnover will wipe the floor in competition with another industry tinkering along on a small scale with a small turnover. In open competition Chamberlain tractors would not be in the picture. I have discussed this question with tractor manufacturers from America. I know their views, and they think Chamberlain Industries are a joke.

I have some idea of the recommendations of Sir Edwin Nixon because I have discussed this question with him. He did not disclose anything which he should not have done. In a general way we discussed the operations of an industry such as this. It is obvious that he did not recommend that the industry should be closed down at that particular time. He thought that perhaps there might be some future for it.

But what right has the Government to go on spending State funds to the extent of £3,000,000, and also Federal finances to the extent of £240 per tractor? All this money is going down the sink with little hope of a recoup. I know that having started an industry, one does not feel inclined to let it drop; but there is an obligation on us, as trustees of public funds, to see that the money is not wasted. There must be an end some time.

I hope that members will be able to examine the reports of Sir Edwin Nixon. They are only 2½ years old. If there is no chance of retrieving the position, then it is time for a committee to be appointed to inquire into the affairs of Chamberlain Industries to decide whether in the public interest the undertaking should be carried on or wound up. Far be it from me to advocate the writing-off of a State industry. But we would be neglecting our responsibility if we did nothing to ensure that public funds were not wasted. It would be very unwise for the affairs of a private company that is receiving Government assistance to be made public.

HON. L. C. DIVER (Central) [8.58]: I support the motion. I realise that this is a serious matter; it is not only a question of Chamberlain Industries draining a considerable amount of public funds which could be used to far greater advantage in the interest of the State, but the products of that undertaking have been sold to many primary producers in this State. This has created an obligation on the people representing the primary producers bordering on a dilemma, in that the machines have to be serviced. The tillage machines turned out by Chamberlain Industries are very good indeed; they will have many years of useful life.

Whatever happens to that undertaking, spare parts will have to be found for machines which have been sold. Consequently it is a very serious matter indeed for the agricultural industry of Western Australia, not only from the financial but also from the economic aspect, and this applies to some extent to other States. I believe that quite a number of the Chamberlain products have been sent away as far as Queensland, and it would be necessary for spare parts to be provided for those purchasers also. If I could be assured that spare parts would be provided for, I would feel much more satisfied.

This industry has been assisted to a considerable extent by State funds year by year, and to the extent of a subsidy from the Federal Government of £240 on every tractor built. The farmer has to compete on the world's markets with the goods he produces and then has to buy these machines on a protected market. I was interested in reading a report of a Tariff Board inquiry on this subject, at which the representative of the International Harvester Company stated, "Our company does not believe in protection". I thought that that was a remarkable statement to come from the representative of the company which makes many tractors in Australia. The company employs Australian labour and skilled craftsmen at the same award rates as are paid here, and yet it says that it does not need protection and can meet any competition.

To me it was obvious from the inception that the firm of Chamberlain had very little chance of making a financial success of the business. I was a member of the executive of a farmers' organisation that was asked to act as sponsors for the Chamberlain tractors, and I said that I would have nothing to do with it because the engine of the first tractor, before the machine came off the assembly line, was out of date. So the industry from its very birth was faced with two difficulties: firstly, the fierce competition from well-organised and established companies; and, secondly, marketing a product that was out of date before it came off the assembly line.

I am amazed that so much consideration has been extended to the industry. Early in the piece, I was quite convinced

that it could not stand up against the competition with which it would be faced. I mentioned in this House months ago that the tillage machinery manufactured by this firm was second to none in Australia but that the price was the trouble. There is something wrong somewhere. Perhaps the available scope or turn-out is not sufficient, or the management is at fault; but the quality is unquestioned.

I support the motion, feeling that if a lot of the money, State and Federal, granted to assist this industry had been made available for expenditure on water supplies, our comprehensive scheme could be much further advanced than it is, and the income from the extra produce that could have been raised would have been of far greater benefit to the country than the expenditure on this industry.

On motion by Hon. F. R. H. Lavery, debate adjourned.

BILL—LOCAL AUTHORITIES, UNIVERSITY OF WESTERN AUSTRALIA MEDICAL SCHOOL APPEAL FUND CONTRIBUTIONS AUTHORISATION.

Second Reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [9.7] in moving the second reading said: I was going to read the short title of the Bill, but you, Mr. President, have saved me the trouble by calling it on. I intended to say that the title was almost as long as the Bill, and it will prove to be almost as long as the speech for its introduction.

Only one point is involved. Section 335 of the Road Districts Act and Section 480 of the Municipal Corporations Act empower local authorities to expend in any one year not more than 3 per cent. of their income for any purposes relating to their districts or to the credit of their districts that are not specifically authorised by those Acts. Consequently local authorities are not able to do what they would like to assist the Medical School Appeal, and they are desirous that this measure should be passed to permit them to expend more than the 3 per cent. in order that they may do justice to the appeal. That is the sum and substance of the measure, and I move—

That the Bill be now read a second time.

HON. N. E. BAXTER (Central) [9.10]: The Chief Secretary told us that this is a simple matter and that the title practically covers the whole of the Bill. But what strikes me as being peculiar is that while local authorities are limited to expending 3 per cent. of their revenue for such purposes as have been indicated, I find nothing in the Bill to limit them to a particular percentage of expenditure for the medical school appeal fund. I am not in any way opposed to this appeal, but I believe that some limit should be placed on the expenditure.

Hon. L. Craig: Local authorities have some commonsense.

Hon. N. E. BAXTER: That is all very well, but some of them might feel like doing a little more than their ratepayers would deem advisable, and I think a limit should be imposed. The people throughout the State who are paying rates to local authorities are also subscribing to the medical fund appeal, and this means that, in conjunction with the local authority, they are contributing a second time. If the Bill is passed in its present form, it might result in causing contention amongst some of the ratepayers.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [9.12]: I have complete confidence in the administrative ability of the members who form the local authorities, and am satisfied that they would not exceed a reasonable limit. We can safely leave it in their hands to contribute as generously as they can, without placing themselves in financial difficulties. Therefore I think we can well leave it to each local authority to decide what amount the district can afford to give.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. R. Hall in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Authorisation of expenditure of ordinary revenue:

Hon. J. D. TEAHAN: This is the clause to which Mr. Baxter referred. Members of local authorities have a complete knowledge of their own affairs and sufficient commensense to contribute as much as is wise and no more. Most local authorities, at the beginning of the financial year, earmark their 3 per cent., but the Bill will permit them to contribute to the fund £10, £20, £30 or £40 as the case may be, and I am satisfied that the power to be given to the local authorities will be wisely exercised.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

House adjourned at 9.15 p.m.