

Hon. T. MOORE: I have not said that it was not. I have said that the doctor should have said to the secretary of the board, who no doubt was present, "Here is what you ought to state, because I am a representative of another province, and other members deal with matters affecting this province." The doctor may laugh. I desire no kudos, and my name has never been mentioned in connection with any attempt to get money from the Lotteries Commission. I defy contradiction of that statement. I am inclined to think that the paragraph I have alluded to may have been left out from the letter, but that will not matter if it is read again. The concluding paragraph of the letter which the doctor read is as follows:—

The inadvisableness of accepting additional responsibilities with the consequent sidetracking of other equally representative persons may possibly suggest to you that your better course would be to forward the request to the people beforementioned, or to suggest to the secretary of the Mt. Magnet Hospital that if and when he approaches the Commission through the usual channels sympathetic consideration will be given to any request so submitted.

Member: Is that in "Hansard"?

Hon. J. G. Hislop: I did not read that.

Hon. T. MOORE: I thought it was omitted. The advice given was very decent and well put. I consider that the Lotteries Commission did the right thing. After all, it has been dealing with members of Parliament for years and years. It may be dealing with Dr. Hislop perhaps for the next few months. Therefore it was not necessary for him to intervene. I fear that the numbers in the House are against the Bill. At the same time I declare that if the people in the country had a vote on the question of whether they wanted the Lotteries Commission continued or not, they would certainly vote for its continuance. On that account I think members should vote for the extension desired.

On motion by the Honorary Minister, debate adjourned.

House adjourned at 6.7 p.m.

Legislative Assembly.

Thursday, 23rd November, 1944.

	PAGE
Questions: Workers' compensation, as to premiums for additional benefits	1955
Commonwealth drought relief, as to application to Western Australia	1955
Swan River fishing, as to licenses, catch, and offences	1956
Bills: Mortgagees' Rights Restriction Act Amendment, Council's amendments	1956
Transfer of Land Act Amendment, returned	1958
Metropolitan Milk Act Amendment, 2nd, Com., report	1960
Workers' Compensation Act Amendment, 2nd	1963
Natives (Citizenship Rights), Council's amendments	1965
Loan Estimates, 1944-45: Message, Com.	1954

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

QUESTIONS (3).

WORKERS' COMPENSATION.

As to Premiums for Additional Benefits.

Mr. LESLIE asked the Minister for Works:

(1) Will the workers' compensation premiums charged by the State Government Insurance Office need to be increased to cover the additional benefits proposed in the Workers' Compensation Act Amendment Bill now before Parliament?

(2) If so, what are the increases like to be?

The MINISTER replied:

(1) The likely effect upon premium rates is now being investigated.

(2) An increase in premium rates is considered likely, but it should not exceed 15 per cent.

Generally speaking, premium rates now charged by the State Government Insurance Office are 20 per cent. below those charged by the associated private insurance companies.

COMMONWEALTH DROUGHT RELIEF.

As to Application to Western Australia.

Mr. LESLIE asked the Minister for Lands:

(1) Has he noticed a report published in "The West Australian" in which Mr. Chifley, Federal Treasurer, is stated to have given an assurance that should farmers in Western Australia suffer total crop failure

through drought conditions, the Commonwealth Government will extend to them the same measure of relief as that granted to Eastern States growers?

(2) Has any estimate been made of—(a) Probable total crop failures in Western Australia; (b) Probable partial crop failures in Western Australia; (c) Probable loss of stock in Western Australia in consequence of drought conditions?

(3) Has any indication been received from the Commonwealth Government that financial relief will be given to farmers who are, and who will be, incurring heavy costs for water carting as a result of drought conditions?

(4) Has any indication been received from the Commonwealth Government whether a measure of financial relief will be extended to growers who suffer partial crop failure? If not, will representations be made to the Commonwealth Government in this connection?

The MINISTER replied:

(1) Yes. A case for Western Australia was presented by the Premier and the Minister for Lands of this State at the Premiers' Conference on October 5th. Because our conditions in a general way were not comparable with the drought obtaining in three other States, but to ensure that Western Australia could be included in any such arrangement if subsequent events so warranted, this State's advocates made the following point:—"In fairness to the farmers of Western Australia, many of whom may be in a similar position to farmers in other States who are to be compensated, I suggest that Western Australia's case be reviewed after the harvest." This specific request was agreed to.

(2) Official instructions have been issued to have these circumstances closely watched.

(3) Commonwealth consideration was given to losses of crop and not to losses of stock. Our representatives raised the point that we had, in this State, already lost over three million sheep due to pastoral drought which had cost the State very large sums, and the actual loss to the State Government represents many hundreds of thousands of pounds. The hon. member will be aware that the Government, through the appropriate departments, is very active regarding water supplies.

(4) Answered by (1) and (2).

SWAN RIVER FISHING.

As to Licenses, Catch and Offences.

Mr. KELLY asked the Minister for the North-West:

(1) What number of licensed fishermen operated in the Swan River during the years ended (a) 1941, (b) 1942, c (1943)?

(2) How many tons of fish were recorded and marketed during each of these years?

(3) What varieties were netted and marketed?

(4) How many prosecutions for non-compliance with fisheries regulations were proceeded with during the three years above-mentioned?

(5) In how many cases did confiscation of nets take place?

(6) Are there any fishermen licensed to net crabs in the Swan River?

(7) If licenses have not been issued for the trapping of crabs in set nets, is it illegal to use set nets for this purpose?

The MINISTER replied:

(1) The average numbers operating were:—17 (1941), 15 (1942); 20 (1943).

(2) From the Swan River:—76 tons (1941); 116 tons (1942); 96 tons (1943).

(3) Mainly mullet, Perth herring, cobblers, tailor.

(4) From the Swan River:—25 (1941); 26 (1942); 6 (1943).

(5) 11 (1941); 11 (1942); 1 (1943).

(6) and (7) Any licensed fisherman may use a net to catch crabs in the Swan River and the method of "setting" is permitted.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT AMENDMENT.

Council's Amendments.

Schedule of three amendments made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for Lands in charge of the Bill.

No. 1. Clause 2:—Delete the words "or mortgagors, or his or their personal representatives, if such mortgagor or mortgagors is or are dead" in lines 32, 33 and 34, on page 2, and substitute the words "or his executor or administrator."

The MINISTER FOR LANDS: The amendment submitted by the Legislative Council does not matter in the slightest as

far as I am concerned, and I think the Committee will agree with me that the wording in this and the next amendment adds nothing to and subtracts nothing from the Bill. I move—

That the amendment be agreed to.

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

No. 2. Clause 2:—Delete the words "or mortgagors" in line 8, page 3.

The MINISTER FOR LANDS: I take the same view with regard to this amendment. It does not affect the Bill. I move—

That the amendment be agreed to.

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

No. 3. Clause 2:—Delete the words "For the purpose of this subsection the term 'mortgagee' shall not include a firm or corporation" in lines 16, 17 and 18, page 3.

The MINISTER FOR LANDS: At first I was inclined to resist this amendment; but after a scrutiny of it and consultation with the Commissioner of Titles, who will be the tribunal to hear applications, I am satisfied that the right course is to accept the amendment. Trustee companies, in particular, have very many small trust investments, and because of the fact that the income from them goes to beneficiaries, and also because the Commissioner of Titles will have discretionary authority, as well as possession of the facts, I can see no objection to the amendment. I have also consulted the Crown authorities on the amendment and they take that view. I move—

That the amendment be agreed to.

Mr. WATTS: I am not so happy about this amendment as the Minister seems to be. I understand that this measure is to relieve cases of hardship. It provides that the relief it grants will not extend to persons who are in receipt of an income of more than £5 a week, or who have total assets exceeding £2,500. In those circumstances how can it extend to a mortgage registered in the name of a trust company? As I see it, it can only extend to individual persons or very small firms or corporations with a limited income, as described by the measure and, in addition, total assets of £2,500. I therefore think that the Minister's reason for accepting the amendment is not a very correct one. I would like to ask him to reconsider that point of view.

If that is the point of view he intends to accept, it should be incorporated in the law without passing this amendment which will not achieve what he desires.

I thought the Minister might oppose the amendment on the ground that the Interpretation Act already includes the word "corporation" so far as the word "person" is concerned. But I find now that it does not include the word "firm," and in consequence partnerships that have small incomes and small assets may be covered. I do not know that this measure would enable the trustee companies to claim the benefit of the Act simply because the persons for whom they are trustees are in a small way. Without supporting or opposing the amendment at this stage I would like the Minister, if he can, to answer the question I have raised. If it is not going to achieve what he wants it is of no use having it. If it is intended to alter the intention of the measure, then we might as well repeal the whole of the Mortgagees' Rights Restriction Act.

The MINISTER FOR LANDS: The main point is that a trustee company would be in fact under the Transfer of Land Act the mortgagee when acting for persons whose income as beneficiaries would be very small. I am advised by both the Crown Law Department and the Commissioner of Titles that there is no doubt that the firm or company would have the right to apply for the individual in those circumstances. Although the firm would be applying as a firm and a trustee in possession of a trust; it would really be acting for the individual. The fact that the Commissioner of Titles would, in fact, be the person who examines the affidavits would safeguard the position.

Mr. McDONALD: I agree with the Leader of the Opposition to this extent that conceivably some further amendment may be desirable at a later stage in order to make sure that corporations acting for or on behalf of mortgagees who come under the Act should be able to take advantage of this legislation. I desire to support the amendment for the reasons given by the Minister because I think that in a number of cases a trustee company or the Public Trustee would enter into a mortgage as an executor or administrator of an estate.

The Premier: It must be registered as the proprietor.

Mr. McDONALD: The document would be registered at the Titles Office, and it would therefore be evident from the document that the mortgage was the estate of a particular person and it would be not difficult to prove that the income involved was within the compass of the Act. The amendment is desirable because we might as well otherwise exclude a certain class of person—widows and children—that is just the class to whom we desire to extend this advantage or protection. We should accept the amendment bearing in mind the possibility that we might, later, have to make it still more clear that that particular class is able to take advantage of the legislation.

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

Resolutions reported, the report adopted, and a message accordingly returned to the Council.

BILL—TRANSFER OF LAND ACT AMENDMENT.

Returned from the Council without amendment.

LOAN ESTIMATES, 1944-45.

Message.

Message from the Lieut.-Governor received and read transmitting the Loan Estimates for the year 1944-45 and recommending appropriation.

In Committee.

The House resolved into Committee to consider the Loan Estimates, Mr. Marshall in the Chair.

Vote—Departmental, £28,200:

THE PREMIER [4.48]: The Loan Estimates for this year cover an amount of £1,560,000, which represents a very much higher rate of expenditure than we incurred in the year which has just closed. To obtain a proper comparison of the Estimates for this year and the expenditure last year, it is necessary to adjust the figures by deducting the amount of Loan Suspense expenditure. As members are aware, expenditure under the heading of Loan Suspense is expenditure incurred during a year for which no provision was made when the Estimates were submitted. The amount of Loan Expenditure, therefore,

must be included in the Estimates for the following year, and consequently the amounts we spent last year from Suspense Account are included in this year's Estimates. But the value of the work carried out from Suspense amounted to only £4,040 so that it does not affect the figures to any great extent. After adjusting last year's expenditure on account of Loan Suspense items, the amount was £362,000. It will be seen, therefore, that these Estimates anticipate an expenditure of roughly £1,200,000 greater this year than was expended last year.

In submitting the Loan Estimates last year, I explained to members the difficulty experienced in carrying out necessary loan works. Our great difficulty is the inability to find the necessary manpower and material to carry them out. This was particularly evident last year when, out of a total estimated expenditure of £786,000, we spent less than half the amount anticipated. This year's Estimates include amounts covering the cost of material which has been on order for some time, and which it is expected will arrive during the financial year. In addition, a fairly substantial sum has been provided for activities of the Workers' Homes Board in operating the Commonwealth War Housing Scheme. However, I shall come to those matters when I deal in detail with the items making up the Estimates.

The works included in the Estimates now under review should not be confused with the Government's post-war works programme, which is of much greater magnitude and includes items that cannot be carried out during the war period. Some of the works included in this year's programme, however, are necessary before a commencement can be made with our larger post-war programme.

The loan programme approved by the Loan Council was for an amount of £1,556,000, the whole of which has been included in the Estimates I am now submitting. For the provision of the funds towards this programme, I may explain that we commenced the year with an unexpended balance of loan moneys amounting to £1,048,000. During the year we expect to collect £150,000 in loan repayments, and we shall also receive our share of the excess of deposits over withdrawals from the Commonwealth Savings Bank, which should amount to approximately £390,000.

Members may recollect that last year I said that the Government had been approached by the Commonwealth Bank to limit the share of the excess deposits which the State could accept as a loan. Under the provisions of the agreement when the State Savings Bank was taken over by the Commonwealth Bank, we are entitled to 70 per cent. of the excess of deposits over withdrawals, but as the Savings Bank deposits throughout Australia have been on an unprecedented scale owing to the tremendous expenditure of money on the war effort, the exercise of our rights under the agreement would have given us an amount of loan money far in excess of our needs. The Commonwealth Bank has come to an agreement with the Government of Queensland to limit the amount which that State will draw.

The original agreement provides that, in any year when the withdrawals exceed the deposits, no further borrowing can take place until that deficiency has been made good. For example, if in one year the withdrawals exceeded the deposits by £200,000 and in the following year the deposits exceeded the withdrawals by £180,000, we could not obtain any share of this £180,000 because it would not be sufficient to make good the leeway in the preceding year. The recent agreement made with the Commonwealth Bank provides that the excess of deposits we do not draw will be held in reserve to meet any deficiencies in future years. In any year in which there is an excess of withdrawals over deposits, we shall not receive any loan money, but provided in the following year there was an excess of deposits, we would be entitled to borrow our share.

If we had not entered into this agreement we would have had a choice of accepting as a loan a very large sum of money which we could not have spent, which would have been held in reserve and on which we would have had to pay interest. The cost of holding that money might have been very great. In all the circumstances the Government considered it wise to enter into the agreement, and I think our action was fully justified. We are therefore in a position of being able to meet the whole of our requirements from the funds, either in hand, or in sight during the year.

The Commonwealth asked us to limit the amount of money we could claim under the agreement to £390,000 a year, which is the

amount we received during the first year of the war. As this excess money was to be utilised by the Commonwealth for war expenditure, we agreed not to take more than £390,000 a year, with the compensating advantage that if in any year the amount of withdrawals was greater than the amount of the deposits, any accumulated credit could be used so that we would be sure of being able for a considerable time to get money from the Commonwealth Bank under this agreement.

Mr. Watts: Then you have not parted with the right for all time?

The PREMIER: We have not parted with the right at all, but have agreed to limit our right by accepting £390,000 a year. We have also an agreement that if, at any time, the amount of excess deposits over withdrawals is less than £390,000, provided we have accumulated a credit balance of more than that amount in the interim, we shall be able to use it. Of course, if withdrawals continued to exceed deposits, we would not get anything at all.

Mr. Watts: Have we lost the £5,000,000 a year or whatever it was?

The PREMIER: No, that will be available in the ensuing years. It would be inconvenient for us to burden ourselves with a very large sum of money on which we would have to pay interest, because we could not utilise it. We have sufficient funds in hand, without borrowing on the open market to finance our loan programme this year. While I cannot say what will happen this year in the matter of loan expenditure, I imagine that conditions will not be dissimilar from those that prevailed last year. I do not think we shall be able to spend all the money that is being provided.

Mr. Watts: Would it not have been better to borrow the money and invest it in the short-term Victory Loan?

The PREMIER: I did not wish to discuss that matter. I might say, however, that without desiring to cast any doubt on the short-term Victory Loan, it would involve a period of seven years. Municipalities, road boards, health boards and many people are investing in short-term Commonwealth loans, and as soon as the war is over and business returns to normal and articles such as refrigerators, wireless sets, etc., can be purchased, there may be, for a brief period, more people who want to sell bonds than those who want to buy them. If they

have to sell in the open market, it is possible that for a short period those bonds might depreciate a little in value. I did not wish to discuss that aspect, but the hon. member has drawn me into it.

The point I wish to make is that I did not want to commit the State to borrowing money that we could not use when we could make a more satisfactory arrangement with the Commonwealth. The money we have in the Commonwealth Bank is producing only one per cent. interest, and had we taken this money, we might have had to pay two per cent. on it; and to lose one per cent. on £2,000,000 or £3,000,000 would be a considerable item. This was an arrangement to help the war effort, and I was agreeable to meeting the wishes of the Commonwealth in the matter.

On account of our small expenditure last year, we were able to reduce the public debt as the expenditure was much less than the sinking fund contributions made by the National Debt Commission for reduction of the debt. The public debt at the end of June, 1944, was £96,478,000 as compared with £96,988,000 at the end of June, 1943—a reduction of £510,000. The per capita debt at the end of June, 1944, stood at £198 6s. 8d., which compares with £201 17s. 1d. for the previous year. Thus it will be seen that we have reduced the net debt per capita by about £3 10s. during the last financial year. A great deal of that reduction per capita was caused by the considerable increase of our population during last year, proportionately in accordance with the revision of the population figures made by the Government Statistician. We had been credited with a smaller number of people here than actually lived in the State, and there were also in Western Australia soldiers from the Allied Armies and from eastern Australia and New Guinea. The small surplus for the last financial year, together with the figures I have quoted, will convince members that Western Australia's financial situation is very sound.

Though I cannot claim that the manpower and material position is better than it was last year, I feel that we will be able to make headway with some of our urgent public works. Members are as well acquainted as I am with the difficulties of securing manpower and material for works, and if these were in free supply there is a great deal that could be done in the way

of provision of water supplies, schools, hospitals and other public buildings. For example, very little has been done at the Perth Hospital, despite repeated requests to the Commonwealth Government for a priority sufficiently high to enable us to get the material required. The stage has been reached when the outside shell of the building itself has been erected, but a great deal of work still remains to be done in the provision of equipment for the various services which a hospital demands. The Government has secured the advice of a consulting mechanical engineer, who has visited Western Australia on several occasions and it is now calling tenders for a great part of the equipment.

It will interest members to know that at one stage it was proposed to provide steam for the hospital by the provision of a boiler house to be erected on the hospital grounds. These grounds are small and any space that can be spared is valuable. As a result of investigations made by the Public Works Department, it was found that a saving could be effected by utilising the surplus steam that will be available from the East Perth Power House, by transmitting that steam by means of underground pipes. Not only will space be saved in the hospital grounds by the elimination of a boiler house, but the capital cost of taking the steam this way is less than the capital cost that would be involved in providing boilers at the hospital. In addition, an annual saving will be effected because of the fact that steam can be secured more cheaply in this way than by the methods originally contemplated. The provision of steam in this way will not necessitate the building of an unsightly chimney stack in the hospital grounds, which would be undesirable from an aesthetic point of view.

Even if we are successful in securing satisfactory tenders for the provision of the equipment wanted at the hospital, it will be at least 18 months to two years before the building can be ready for occupation. No time is being wasted, however, and no efforts are being spared to speed up the completion of this very necessary work. If the Commonwealth Hospital Benefits Scheme comes into operation early next year, as is contemplated, there may be a great demand for bed accommodation at the hospital, and it may not be possible in the

present old building to meet the demand. At present, however, the existing building is able to cope with the demand.

The position of the Perth Hospital is that, with an increase in purchasing power in the hands of the people generally, there is not the same demand for accommodation as there was. Apparently people, when they are able to do so, prefer attending private hospitals to attending as patients at the Perth Hospital. Though this condition relieved the situation slightly at that institution, I understand it taxed the available accommodation at private hospitals to so severe an extent that beds are made available in the Perth Hospital for patients who ordinarily would have attended a private hospital.

Turning now to a review of the Estimates themselves, it is proposed to spend £404,000 on the Railway and Tramway Department as compared with £51,000 spent last year. So far as the railways are concerned, provision is being made for an expenditure of £214,000 on additions and improvements to opened railways. Among other items this covers the completion of the steel furnaces at the Midland Junction Workshops which were commenced last year. Members are aware, no doubt, that we received a grant of £30,000 from the Commonwealth towards the provision of the steel furnaces, two of which are being erected at Midland Junction Workshops and one at the Engineering Works at North Fremantle. The Commonwealth grant will not suffice for the completion of the work, and we are providing the additional amount needed. The initial expenditure was charged against the Commonwealth grant, but as the total cost is in excess of the grant, loan moneys to the extent of £16,659 will have to be found to complete the work. The reconstruction of the subway at Claremont near the Show Grounds is also anticipated this financial year, and provision has been made for it, though only a small amount was spent last year. We have provided an amount of £10,000 for new machinery for the Midland Junction Workshops, and we are hopeful that most of the machinery will be available this year. Money is also being provided for additional rollingstock to the extent of £22,500.

New works contemplated in the Estimates for the Railway Department are £16,250 for a new dam at Mount Barker. A small amount is set aside to provide additional

accommodation for the staff of the Accounts and Audit Office. The staff is at present very inadequately housed and very overcrowded in the old "Sunday Times" building and, though this matter has been under review for some time, nothing was done because an entirely new building to house the whole of the railway clerical staff was under consideration. The overcrowded conditions of the accounts office have now become so bad that we have included an amount for a temporary building to take the overflow. A sum of £5,000 has been provided for improvements to the Perth railway platform. An amount of £92,530 is included in the Estimates for the work in connection with a deviation of the line to avoid the use of the Swan View tunnel on the line leading out of Perth. This work was commenced last year but not much was done. It is hoped that sufficient manpower and material will be available to make a substantial contribution towards the completion of the work this year. Money is being provided for the purpose. The existing tunnel is altogether out of use; in fact, the line will be duplicated. Then all the traffic will be able to come up to Perth on the down grade, and from this change very considerable savings will result.

Another work of interest in connection with railways is the provision of an amount of £30,000 for a water tank for the storage of Collie coal. One of the great disabilities of Collie coal is that it disintegrates very rapidly when exposed to the open air, and it is thought that it could be satisfactorily stored under water. We have never been able to get a stock of Collie coal for storage purposes, but we know that if Collie coal is stored, particularly in hot places in outback areas, it disintegrates and is almost useless after being there for a few weeks in hot weather.

Mr. Wilson: If it is covered it does not.

The PREMIER: That effects a big improvement. If it is covered with water, however, it is expected that it will not deteriorate at all. We desire to put tanks at key places where storage may be required. In the meantime we are experimenting by putting in a water tank at a cost of £30,000 in Perth. If that proves successful and we find it necessary to establish supplies at key points, that will probably be effected.

Mr. Wilson: I think you are wasting your money.

The PREMIER: We may be. In time of war, a lot of money is wasted. During this war our supplies of coal from Newcastle might have been cut off by enemy action. Again, a bomb might have been dropped on the mines at Collie. In those circumstances, we would have had no stocks and the whole outlook would have been chaotic. We may possibly waste money in an endeavour to save ourselves from being placed in that position in the future. Certainly it is no use trying to store coal in the open. If covered, it might keep for some little time, but if covered with water it might last for 10 to 15 years. We want to obtain information in that regard.

Mr. Seward: It is worth trying.

The PREMIER: We are going to try it out.

Mr. Doney: What mine does this coal come from?

The PREMIER: All the coal is subject to the same disability. There is no coal in Western Australia that does not disintegrate in a warm climate. We are lucky to have coal in this State even though it has that particular disability. For over 40 years we have been able to manage by using from 90 to 95 per cent. of native coal. We are not going cap in hand to the Commonwealth Government like the Premier of Victoria and the Premier of South Australia, in order to get coal supplies. We have not suffered disabilities such as have been suffered in the Eastern States in regard to the cancellation of sleepers on trains. We are still using sleepers on trains between here and Kalgoorlie, whereas between Melbourne and Sydney and between Melbourne and Adelaide no sleepers are available. So seriously does the South Australian Government view this matter that it is opening a coalfield known as Leigh Creek on the other side of Port Augusta; but I do not think that coal is nearly as good in quality as Collie coal. With the assistance of the Commonwealth, the South Australian Government is opening up that coalfield, hoping thus to render the State less dependent than at present on supplies of Newcastle coal.

Mr. Doney: Will the sample coals from Eradu and the Irwin deposits be subjected to these tests?

The PREMIER: It is all much the same type of coal. All Western Australian coal is much the same; but we have not got much coal from those places yet.

Mr. Doney: We have not gone after it.

The PREMIER: Yes, we have. During the last 12 or 18 months, we have spent £5,000 at Eradu. The deposits are on the bed of the Greenough River, and the water has not been eliminated. We want higher capacity pumps. Water has beaten the men sinking the shaft and we are waiting for a pump of a greater capacity. In the meantime, the plant we have and the men—we have a gang of seven or eight—have been transferred to make an examination of the Irwin field, 12 or 15 miles out of Mingenew.

In the Tramway Department it is hoped that the work commenced last year of providing a new trolleybus garage may be completed this year and financial provision has been made in this expectation. The Estimates also include an amount of £7,000 for a new sub-station at Clifton-street, Netherlands. Under the heading of Electricity Supply, amounts are being provided for extension of electricity to various districts. Work will be carried out as men and material become available. The big work of connecting Cottesloe and Fremantle with the 20,000 volt system will, it is hoped, be finished this year and an amount of £36,000 has been provided in expectation.

In connection with the new power station to be erected at South Fremantle, a small amount has been included as preliminary expenses, mainly concerned with drawings prior to the calling of tenders. It is not anticipated that material will arrive this financial year in time to spend any substantial amount for this work. Mr. Taylor, who has been responsible for the design of the new unit, is in England where he arrived a week or two ago. He is in collaboration with the Agent-General and is interviewing people from whom it may be possible to purchase the plant. Unfortunately, the position in Great Britain is that it is not possible to seek tenders from 30 or 40 different firms. All industry is under the control of the British Government, which selects one or two or three firms that concentrate on this kind of work. Arrangements will have to be made through the British Government for one or two of these firms to undertake the work, with the British Government super-

vising and seeing that prices and other conditions are satisfactory. In regard to the provision at South Fremantle of the 50-cycle frequency, we sought advice as to whether it would be economical and in the best interests of the State to review the position in regard to the cycle frequency.

We had extensive inquiries made; and, as there appeared to be some doubt about it, and as it was a big question, having a lot of importance in regard to our future industrial development, we asked the Premier of New South Wales to make available his highest electrical expert to investigate the whole position for us. This man, Mr. V. J. F. Braine, has very high qualifications and was made available to us free of cost, except for expenses incurred while he was here. He submitted a report pointing out what could be done; and, as the expenditure is likely to be substantial, and as the project will not earn anything directly in the way of revenue—though it will be of great benefit in years to come—we made application to the Commonwealth Government to assist us in regard to this matter. After consideration of the reports of Mr. Braine and Sir Harry Brown, the Commonwealth Government decided to make available £300,000 on a pound for pound basis, recognising that from the defence standpoint and from the standpoint of Australian industrial development it would be much better if the cycle frequency were made to conform to the uniform practice in Australia, which is a 50-cycle frequency. What are called converters will be required to tackle the job. The quicker it is done, the more it will cost; but it will be done gradually. It may take up to ten years before the whole of the plant is installed and the reticulation area is converted to the 50-cycle frequency. As a result of this work, people will be able to buy motors for electrical equipment at a much lower price than at present. Few motors of our cycle frequency are made. During the war many plants were shifted from the Eastern States to Western Australia for the purpose of manufacturing munitions by electrical equipment. Before a start could be made, however, the motors had to be re-wound to bring them to a frequency of 50 instead of 40 cycles.

Mr. North: Does this mean that there will be a scrapping of the old existing motors?

The PREMIER: No, they can be utilised after being re-wound. It will take some time

to effect the change-over. Some motors will wear out and, when that occurs, motors of the new frequency can be procured. This will be for the benefit of the industrial development of Western Australia. It will not affect appliances like small refrigerating plants, electric irons, toasters and electric stoves. It is only where a motor is installed to generate power that this change will be effected.

Mr. Seward: The change will have to be made everywhere at one time.

The PREMIER: No, we can do it one district at a time. It is just the same as the position with regard to the tramways and the trolleybuses. We hope to change the tramway system into a trolleybus system. To do that we will take one district at a time, until the conversion is complete. Another new work included in the Estimates is an amount of £61,600 for additional high tension switchgear for the existing East Perth Power House. This additional switchgear is not dependent on the frequency of the cycle and the work is urgently required.

In the Public Works Department, provision has been made for a continuance of the work of the extension of Victoria Quay and the North Quay both eastwards and westwards, and for bell-mouth dredging of the harbour. Another item connected with harbour improvements is the work relating to the provision of proper bulk handling facilities at the north wharf. The Australian Wheat Board has erected a wheat hospital for the treatment of weevil-infested wheat; and, as this is suitable for the commencement of a proper bulk handling silo and the need to ship wheat quickly is urgent, a commencement has been made with the work of connecting the hospital with a gallery which will run wheat from the hospital to the ship side. Part of the work is being carried out at the expense of the Wheat Board and part at the expense of the Government.

At Fremantle the Government is sharing with the Commonwealth in the cost of providing an amenities building for the water-side workers there. Members may know that some time ago the Commonwealth sent to this State a welfare officer, whose function was to advise the various harbour authorities on what were deemed to be the immediate requirements for amenities at the wharf. The officer recommended that a building be erected at Fremantle at which the

waterside workers could obtain meals, and which would be used as a rest and change-room. Eventually plans were drawn for the work, the estimated cost of which is £12,000. The Commonwealth agreed to pay half the cost and the work is being proceeded with at the present time. In addition, the Commonwealth will provide all the equipment for the kitchen.

At Geraldton, work is being undertaken to provide a new slipway for small vessels. The existing one had reached the stage when no further repair work could be of any avail and, as there was a fear that serious damage might occur to vessels if proper provision for slipping were not made, the Government decided that a new slipway should be built. Of course the slipway will deal with only small vessels, mostly fishing craft, but, as members will agree, the fishing industry itself is of great value to Western Australia.

Under the heading of water supply for towns, amounts have been included for improvements at Albany for the purpose of increasing the water supply for shipping. Improvements are also to be carried out in connection with the water supply at Bridgetown.

In the sewerage section of the Metropolitan Water Supply, an amount has been included to continue the work of sewerage house connections by way of loans to householders who are unable to arrange finance for these connections. An amount of £5,000 is being provided to secure the proper ventilation of the main sewer by the elimination of sewer gas. With regard to the Metropolitan Water Supply Department, the largest item is the amount of £16,000 for the cost of a 42-inch steel main from Cannington to Perth to increase the volume of the water drawn from the Canning Dam. Other works contemplated are an increase in the water main in Coode street, South Perth, and also at Dalkeith and in the centre of the city.

A small amount of £3,400 has been provided to instal a rising main from the King's Park bore to Mount Eliza. This work, in conjunction with the provision of the 42-inch steel main from Cannington to Perth should augment the water supply for this and next summer and thereby, if possible, avoid water restrictions. It is unfortunate that just as the Canning Dam was completed the war situation rendered it impossible to secure the necessary material to

provide pipes of sufficient dimension to bring a large volume of water from Canning Dam to the city. Should we experience a very hot summer it may be found necessary to revert to the use of bore water, despite the fact that we have a more than sufficient supply in the Canning Dam. Of course, the bores have no very great capacity, but we may have to avail ourselves of them should the position become serious, and some restrictions may have to be imposed.

Mr. Watts: What is the maximum daily output of the bores?

The PREMIER: I should say the output is between 6,000,000 and 7,000,000 gallons daily. We could get more water by installing more pumps and putting down more bores, but as we have such a big surplus of water in the Canning Dam and within a year or two it may be possible to secure the necessary pipes, it would be hardly worth while providing expenditure for the extra bores and additional pumps, seeing that they may not be needed in a comparatively short period. An amount of £10,000 is included in the Estimates for the continuance of the work of cement-lining water pipes in situ. It may interest members to know that there is a local firm that engages in cleaning rust and other coagulated matter from the pipes and then cement-lining them. By that means considerable economies have been effected and water restrictions that might otherwise have had to be imposed in some districts have been obviated.

Under the heading of Goldfields Water Supply, provision has been made for a continuance of the renovation of the main conduit. Amounts have been provided for an improvement in the pipes providing several of the agricultural areas with water. Extensions have also been included in the amount provided in the Estimates. An amount of £2,300 has been set aside to cover the cost of raising the 30-inch main over the Avon river at Northam. Provision has been made also for the improvement of the water supplies at Port Hedland and at Derby, and for the completion of the last section of the Herdsmans Lake channel relining. An amount has been provided to cover the cost of the first section of the work relating to the raising of the wall at the Wellington Dam, a most necessary work to provide for additional water to those

centres obtaining their supplies from this source. Under the heading of Development of Mining, we have made provision for investigations to be carried out to ascertain the quality of the coal deposits at Eradu.

In the section of the Estimates dealing with the development of coalfields and mineral resources, an amount of £50,000 has been provided for the continuance of the work of the erection of a charcoal-iron blast furnace at Wundowie. The work is proceeding steadily and the tenders received for the erection of the plant up to date are well within the estimates. Members know that the work at Wundowie is more or less in the nature of providing a pilot plant and, if the experiment proves to be successful, it should open the way for the erection of a much larger plant elsewhere. The production of charcoal-iron is associated with the distillation of wood and the Government has arranged to send an officer of the Department of Industrial Development to America where he will study the latest methods of wood distillation, and will gain experience for the erection at Wundowie of the plant which is being constructed in America. I do not wish to deal at length with the work at Wundowie. I think the Minister for Works mentioned the matter recently when discussing a motion moved in this Chamber, and he also dealt with it on the Revenue Estimates for his department. We have such large timber reserves in Western Australia that much of it is going to waste and some is being burnt unnecessarily, all this involving needless expenditure. In that direction the plant should achieve beneficial results in the interests of the State by making use of what are now waste products and avoiding unnecessary expense. Should the plant prove successful in the production not only of charcoal-iron, but also of acetic acid and other products which will be of great assistance in the economy of the State, I am hopeful that it will lead to greater production throughout Western Australia.

Another item of importance in this section of the Estimates is the completion of the first section of the work at Lake Chandler for the production of potash from alunite. Already an amount of approximately £200,000 has been spent on this work and though some initial troubles—they might be regarded as the teething

worries of the infant project—were experienced with the plant which was erected under very great difficulty during the war, I am advised that these difficulties are now overcome and the plant is producing potash in quantities up to those originally estimated. The potash obtained in this way will prove of great value to our primary producers in augmenting the supplies of fertiliser and if, as I confidently anticipate, it can be kept up to the present production scale of $7\frac{1}{2}$ tons daily which should soon be increased to 10 tons daily, the works should be able to pay their way. The next stage will be the enlargement of the work to triplicate the output, when cost of production will be reduced substantially and sufficient potash recovered to meet the whole of Australia's requirements.

Under the section, Development of Agriculture, provision has been made for additional plant and buildings at the Midland Junction abattoirs and for the improvement of the sale yards. Provision has also been made for improvement of the buildings and sale yards at the Kalgoorlie abattoirs. An amount of £15,000 has been provided for the erection of a veterinary laboratory at Herdsman Lake. This work has been under review for some time and it is hoped that, if manpower and material are available, it may be carried out this year.

A small amount of £5,000 has been provided for further investigatory work in connection with the Ord River irrigation scheme. Already, experiments have been made with the growing of certain types of grasses under irrigation conditions during the dry period, and the success which has attended these efforts justifies this further experimental work. Officers of the Departments of Works and Agriculture are working in close collaboration, but no heavy expenditure will be incurred unless these experiments are successful and it has been demonstrated that the project is economically sound. It is hoped that the Commonwealth Government will co-operate in the development of this area.

A proposal has been made to that Government and the Queensland Government to co-operate with us in preparing a regional plan for the development of the north of Australia where the problems are somewhat similar in character. At the Premiers' Conference and in recent communications despatched to the Prime Minister, I have

suggested that the engineers and agricultural experts of Western Australia, Queensland and the Northern Territory should endeavour, by regional planning, to arrive at some comprehensive scheme for the further development of the northern parts of the Commonwealth. No good purpose would be served by three committees representing the three States concerned considering separately what should be done regarding the respective problems, all of which are similar. Of course, the rain falls at different periods in some parts, but, generally speaking, the problems are such as could be better dealt with by a committee representing the three Governments concerned. I hope that something will come out of the suggestion and that a comprehensive plan of development for the tropical parts of Australia will be formulated.

An amount of £70,000 has been provided for public buildings. This sum covers the completion of buildings already in course of construction and the erection of new buildings as may be necessary. The new buildings contemplated include the following:—

- Provision of a metallurgical laboratory at the Perth Technical School;
- Erection of a new trades and science block at the Mount Lawley School;
- Erection of a laboratory and class rooms at the Leederville Technical School;
- Erection of the first section of the Denmark Agricultural College;
- Additions to the Northam High School;
- Additions to the Albany High School;
- Additions and improvements to the Bruce Rock School;
- Erection of a new block for T.B. patients at the Claremont Mental Hospital;
- Erection of a remand house for children for the use of the Child Welfare Department.

The total cost of these buildings will, of course, exceed the provision in the Estimates of £70,000, but naturally the completion of the buildings cannot be effected during this financial year. Under the heading of sundries, an amount of £64,000 has been included for additions at the West Australian Meat Export Works at South Fremantle. These additions are being erected at the request of the Commonwealth Government under an arrangement whereby the State will find the capital cost of the building, and the Commonwealth will pay storage charges for the use of the building. When the war is over, a valuation will be made

to ascertain the post-war value to the meat works and any difference between this value and the cost of the buildings, less the usual allowance for depreciation, will be met by the Commonwealth Government.

An amount of £490,000 has been provided for the Workers' Homes Board. This sum covers the erection of houses under the War Housing Scheme, the acquisition of land and the provision of services for land which will be acquired for the post-war programme. When the housing schemes were discussed between the Commonwealth and the States, it was contemplated in the initial stages that the money would be found by the Commonwealth and loaned to the States but, somewhat to the surprise of most of those interested, legal opinion suggested that this was not constitutional and that the States would have to borrow the money in the ordinary way, hence the provision in our Loan Estimates.

In connection with the war housing programme, a start has already been made and houses are being erected, and in some cases are almost complete and ready for occupation, at Collie, Boyup Brook, and the metropolitan area. Fifteen houses are being erected at Collie, 10 at Boyup Brook, and 50 in the metropolitan area; 25 at Claremont and 25 at North Perth. I hope—when one of the houses in the metropolitan area is complete and ready for inspection—to arrange for members and other interested people to visit that dwelling and see for themselves the type of house that is being provided. Such a visit would show whether we were getting value for our money, and generally speaking provide those concerned with an opportunity to become acquainted with the details of the scheme, and see what the houses are like on completion. Some of these buildings will have 9 ft. 6 in. ceilings. Members who look at these houses will be able to see those ceilings for themselves and obtain a personal knowledge of the whole scheme.

Mr. Doney: Would it help if arrangements were made for some ladies to look at these houses so that a more practical inspection might be made?

The PREMIER: Any member who wishes his wife to accompany him on the inspection is welcome to take her. If sufficient people are interested on the occasion of the in-

spection I might be able to arrange for a cup of tea for them.

Mr. Doney: That is a very helpful response.

Mr. Seward: Is one of the houses completed yet?

The PREMIER: We only started on them a comparatively short time ago. Some of them in the country are completed, but I do not think one has yet been finished in the metropolitan area. The member for Claremont will probably agree that at the back of the Artillery School several houses are approaching completion, but they are not yet finished.

Mr. North: Many of the houses are up.

The PREMIER: I know that last week some of them had not yet been roofed. The houses are all being erected under contract and though the prices are much higher than those of pre-war, every endeavour was made to keep the cost down to a reasonable minimum. The type of house being built has to be approved by the Commonwealth Government, which has insisted on this condition because it has undertaken to meet three-fifths of any loss arising from the operations of the War Housing Scheme. The houses will all be for letting and the rents will be based on a proportion of the family income of the tenant. Where this rent is lower than the full economic rental, the difference will be included in the loss to be shared between the Commonwealth and the States. The principles of the agreement were approved at the last Premiers' Conference, but the document has not yet been sent to me. I think it will necessitate the passing of legislation through this Parliament, but I doubt whether we shall reach the stage of dealing with it during the current session.

The houses now being erected constitute the first quota of houses approved by the Commonwealth Government for erection during the war. Since then we have been advised of two further quotas, totalling 190 houses. We have, therefore, authority to build 265 houses, but on account of extreme shortage of manpower and material it has not yet been possible to proceed with the second and third quotas. It is proposed to build houses at Northam, Bunbury, and Merredin as well as in the metropolitan area out of the second quota, and investigations are now being made

to ascertain in which country centres houses out of the third quota should be built. A preliminary housing survey was carried out through the help of the local authorities who were asked to submit particulars of the housing position in their respective centres.

On account of lack of information from some centres, a great deal of reliance could not be placed on the survey, and I arranged for supplies of application forms to be submitted to all the main centres throughout the State and for the Workers' Homes Board to call—by way of public advertisement—for applications from persons who desire to rent houses under the War Housing Scheme. Unfortunately the response is not as great as was indicated by the complaints concerning the lack of house accommodation. About 700 applications have come in. Some people think it is not of much use to apply, and that there will not be enough houses to go round; and many are therefore making their own arrangements.

It is impossible for any official of the Workers' Homes Board to get even an approximate idea of the necessities of any given district unless someone on behalf of each district puts in the necessary applications. The Leader of the Opposition has asked questions about Katanning and other centres. Some of the local authorities have been very helpful in this matter, and we have received some information which will enable us to determine what is a fair thing to provide for in some country towns. I hope that all those who live in country districts and desire to take part in this house-renting scheme will make the necessary applications. When the whole of the applications are surveyed a reasonable determination can be arrived at as to the needs of any particular district.

Mr. Doney: I do not think you can determine the shortage of houses in that way.

The PREMIER: No.

Mr. Doney: I think the low ceilings are having an effect upon the applications.

The PREMIER: I do not know that that is so. We have a lot of information on that point from people who are supposed to be in a position to give an authoritative opinion. The height of the ceiling is not the determining factor in regard to discomfort or air space. The great thing is the distance between the ceiling and the

roof. I had an experience in connection with my own house. The roof was only about 4 feet from the ceiling, and consequently there was only a small air space under the roof. Some alterations were made to the house which enabled us to get a space of about 9 ft. between the top of the roof and the ceiling. This made a difference of five or six degrees in the temperature. The height between the ceiling and the roof is the main factor. That is borne out by authoritative experts, by the Housing Commission, by the Architects' Association, and by the technical committee which was formed for the purpose of going into the question.

Mr. Leslie: By everyone except those who lived in such houses.

The PREMIER: Yes, except those who have had experience of what is known as a low ceiling. Admittedly, a low ceiling creates an oppressive and depressing feeling when people go into a room. It is not like this Chamber where the ceiling may be 30 ft. up from the floor. In many flats the ceilings are only 9 ft. or 9 ft. 6 in. high, but that does not seem to make for much discomfort to the occupants. I cannot express an opinion on the subject myself and can only quote my own experience. The question must be left to architects to determine. Prejudice is, of course, difficult to overcome, although I do not claim that this is all a question of prejudice. We have very authoritative opinions expressed that commensurate with the cost the disadvantage of a low ceiling is not such as to be very noticeable.

Mr. McLarty: Are these houses for letting purposes only?

The PREMIER: Yes, for the time being.

Mr. McLarty: What about later on?

The PREMIER: Later on they will be made available either as leasehold properties or for sale. Then we have our own scheme. As soon as the necessary materials and labour are available we hope to have a workers' homes scheme that will be able to carry out building operations for the State Government, as was done in South Australia for the Government of that State. We hope by that means to bring down the cost of the houses. I understand that the War Service Homes Department, the representative of which, Mr. Richardson, is in Perth at the moment, is going to build houses for soldiers as soon as the

labour and materials become available. That is different from the scheme I am now discussing, which is a Commonwealth warehousing scheme and is being put into operation in order to minimise the extreme house shortage that exists today. The shortage is not so apparent in Western Australia—although it exists to a considerable extent—as it is in the cities of the Eastern States where thousands of people have flocked to the metropolitan areas to work in munition and other factories. The housing situation there is most acute. We certainly have our share of the trouble here, and we think it would be well to concentrate on houses for letting purposes for the time being in the endeavour to overcome the shortage of accommodation.

Mr. Doney: If it is found that it is an improvement to have ceilings of the height proposed will you make that a condition in respect to workers' homes in the future?

The PREMIER: No. The purpose of the Workers' Homes Board is to provide financial assistance to clients to enable them to build their own homes according to the plans that they themselves desire. If the board thinks that the plans and specifications are sound after it has checked them over, and the clients are prepared to find the necessary money for fees, interest and so forth it will build the houses according to those plans.

Mr. Doney: Apparently, from what you say, architects are insisting that it is a waste of material and money to have higher ceilings.

The PREMIER: Some people waste money in the clothes they buy and all sorts of things because they prefer to make those particular purchases, and can afford to do so.

Mr. Doney: That is no excuse for waste, if there is waste.

The PREMIER: The Minister for Lands has just reminded me that a well known mining man spent £4,000 on the erection of a wall around his home at Cottesloe.

Mr. Doney: We are not interested in what that gentleman did.

The PREMIER: The Workers' Homes Board will assist people to build a reasonably decent home according to their own plans and specifications if they so desire. We do not insist upon anything. The only condition is that the clients shall look after the homes, pay the necessary fees and make

proper arrangements for the payment of rent, etc.

In regard to the acquisition of land, arrangements have been made for the Town Planning Commissioner to make a survey of suitable areas. Already some large parcels of land have been investigated in the metropolitan area and in some of the country towns. Negotiations will be opened up with the owners for the purchase of the blocks, but if satisfactory arrangements cannot be made the land will be resumed. We do not want to go out into the back blocks where there are no amenities for people in the way of water supplies, roads, footpaths, etc., if there are vacant and suitable blocks available in districts where all these amenities are already provided. In many instances people owning the land are not willing to build or do anything with their blocks, and if they are willing to sell their land at reasonable prices arrangements will be made for its resumption. As I have said, we do not desire to go out into the bush and provide transport and all the other amenities that are necessary for the comfort of people.

I desire to pay a tribute to the local authorities in this regard. They have been tremendously helpful. They have also gone to no end of trouble in supplying information. It is just as well when such co-operation is found to exist between the Government and local authorities that this should be recognised. Local authorities have gone out of their way to help and have spent some of their own revenue in assisting the department, in helping their own townspeople, and in regard to obtaining house accommodation. We should always be ready to pay a tribute to those who have co-operated in this way. This concludes my survey of the necessary works which we propose to put in hand, if we can, during the present financial year.

There is a great difference between the present position and that of a few years ago. At that time there was a surplus of labour for which employment had to be provided. Nowadays the difficulty is to get the men to carry out the works we want to carry out. The same thing applies to materials. However, as outlined by the Minister for Works, we now have plans for a very considerable works programme for the development of this State when we emerge victoriously from this war, and it is necessary to find employment for the men and

women of the Fighting Services and those engaged in industry and connected with the war effort. With more provision for adequate water supplies throughout the State, the development of secondary industries, the resuscitation of the mining industry and the further diversion and expansion of our primary industries, together with a huge housing programme, we should be able to employ all our people remuneratively and commence an era of progress which I hope will bring prosperity to the people of Western Australia.

Progress reported.

BILL—METROPOLITAN MILK ACT AMENDMENT.

Second Reading.

Debate resumed from the 19th October.

MR. McLARTY (Murray-Wellington) [6.3]: Members will recall that when the Minister introduced this measure during the middle of last month he told us that it contained three provisions; one was for the extension of the term of the Act for five years; another was for an annual report to be submitted to Parliament; and the third was for the power of direction by the board. The last named provision is by far the most important. Producers are concerned about it and are looking for more information with respect to it. The Minister said that if the board were given this power of direction, milk could be directed to where it was most needed; it might be to a hospital, a hospital ship or to schools. I fear this will impose a grave responsibility on the Milk Board; it is a power which certainly will have to be exercised with very great care. I do not think for a moment that any member would object to a hospital ship or an institution being served with milk, if these are considered to be a first priority. But if milk is directed to schools the result may be that young children not attending school will be deprived of it. I mention this as showing one of the difficulties with which the board will have to contend.

I would like the Minister to give the House some information as to how existing contracts will be affected as a result of this power of direction. I take it that neither producers nor distributors will be forced to send their milk to places directed by the board unless their existing contracts

are protected. This may create some difficulty in the wholemilk trade and that is why I should be glad to have a further explanation from the Minister. I take it that, legally at least, the producers and distributors will be amply protected in this respect. The position may arise that if a producer or a distributor is compelled to send his milk where the board directs, he may not be able to comply with the terms of some existing contract and provision should be made to see that no victimisation takes place on that account. It may be the Minister has in mind, in helping these institutions in this way, that the producer will be assured of the full price or of the board price. If this power of direction comes about I take it that surplus milk will be a thing of the past and that no payment will be made for it at a price which is different from the board price. The provision for a yearly report to be tabled in Parliament is an excellent one, as members will be able to ascertain what the board is doing and the public will be informed of its activities.

There has been some unjustifiable criticism of the activities of the Milk Board in the past. From what I know of its members—both past and present—I do not think they fear criticism, nor do I think they have hidden anything of which they are ashamed. I feel sure they will be quite prepared to comply with this provision to make an annual report. With regard to the extension of the term of the legislation for five years, I would favour the measure being made permanent; but the Minister explained that when the next Bill is brought in he will make provision for permanency. I am glad to have that assurance. The permanency of this legislation is justifiable, and I consider it to be necessary in order to ensure stability to the industry. As the Minister said, this Act has been of benefit to both producer and consumer. I think I am safe in saying that the main object in introducing this legislation was to assist the producers, who were getting a price at the time which was wholly unremunerative. Had this Act not been brought into operation and had not the Milk Board been established, many dairymen in those days would have had to go out of business. As a result of this legislation, the producers have received encouragement and I have no

hesitation in saying that the consuming public have received a better commodity.

I welcome the Minister's proposal for a thorough investigation into matters affecting the producer, the retailer and the consumer. I can give the Minister an assurance that the producers will not offer any objection to such an investigation; in fact, they will be glad to give every assistance possible to those conducting the investigation. The Minister said that he believed in the present set-up of the board and that he would apply the like set-up to any future board. I think he is right; but I have already drawn his attention to the fact that at present we have two zones, one known as the No. 1 zone, which is really the metropolitan area, and the other as the No. 2 zone, which is the country area. In the No. 1 zone, 108 producers elect a representative, while in the No. 2 zone, 260 producers elect a representative. These zones were created when the legislation was introduced. It was thought that the producers in the metropolitan area might be deprived of representation unless two zones were established; but the producers in the country area had the same fear. As a result, the two zones were established. Members can see from the figures I have quoted that the representation is not what it should be, and I hope that when further consideration is given to this legislation some more equitable representation of the producers will be provided.

The Minister also said he thought the board should have more to do with the distribution and marketing of milk than with production and health. Distribution includes transport, and transport of milk should be faster. I bring this matter under the notice of the Minister for Agriculture and also under that of the Minister for Health. Milk trucks today are fitted with gas-producers and I think it is time we got rid of them. If there is one commodity that ought to be delivered in a clean fresh state it is milk, and I do not consider gas-producers are conducive to the delivery of milk in that condition. In any case, I suggest to both Ministers that they might collaborate and give consideration to this aspect. We are now in a position to transport our milk into the metropolitan area by trucks that have no gas-producers attached to them.

I desire to say something about the health position. Much publicity has been given to this matter during the past few weeks, and I rather think that some of the people making such criticism are not in possession of the actual facts. I have discussed these matters frequently with the members of the Milk Board and I know they are fully alive to the necessity for the cleanliness of milk and health matters generally. The board spent some hundreds of pounds to ensure the delivery of clean and fresh milk in the metropolitan area. Mr. Speaker, if you were to inspect the dairies that are licensed for wholemilk production, I am certain you would be impressed by their cleanliness. I know that if a report were made to the Milk Board that certain dairy premises were in an unclean state, the premises would quickly be inspected and if the proprietors did not conform to the board's requirements they would soon be put out of business. Again, Mr. Speaker, if you were to inspect the dairy herds that are supplying milk to the metropolitan area, you would also be impressed by the quality of the herds and their healthy appearance.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. McLARTY: Before tea, I was saying that the Milk Board did take a practical interest in health matters and had provided some hundreds of pounds for the testing of milk. There has been a good deal in the papers of late in regard to bovine tuberculosis. A gentleman has been writing to the Press and receiving a good deal of publicity and he signs himself "Veterinary Surgeon."

The Minister for Agriculture: We know who he is.

Mr. McLARTY: The Minister may know who he is, but I do not. But I do know that at present there is a Select Committee dealing, amongst other things, with animal diseases; and I suggest that, if that gentleman wants to render the State a service and wants to wipe out this particular disease, he should come before the Committee and give evidence. I feel sure that if he did take such action and members of the Committee were of the opinion that what he said was true and that the position was as serious as he stated, it would make recommendations to the Minister in charge of this Bill to take appropriate action. The

other day I noticed a letter in "The West Australian" under the name of Dr. G. Hall, of Cunderdin. Inquiries I have made indicate that others of the medical profession in Perth agree with this doctor's statement. The letter is short and I propose to read it. It is headed "Bovine Tuberculosis" and reads as follows:—

It seems time someone got down to tin tacks regarding the controversy over tubercular infected cows. Surely the important point is not how many cows have tuberculosis but how many people contract bovine tuberculosis. "Vet. Surgeon" may have his statistics correct but he gives the average reader the impression that the next glass of milk he drinks will surely lead him to Wooroloo, and this is not correct. The public then should know some of the facts. In the first place, I believe bovine tuberculosis in human beings is a rare disease in Western Australia. Secondly, pulmonary or lung tuberculosis is almost always non-bovine in type—it is the rare "surgical tuberculosis" of bones, joints, and intestine that may be bovine. And, lastly, bovine tuberculosis is only contracted by children and not by adults. So that only a very occasional case of surgical tuberculosis in children is caused by tubercular infected milk. I feel therefore that a survey by Dr. Hensell of the cases of bovine tuberculosis encountered at Wooroloo would be of more practical value than an argument on the number of tubercular infected cows. And a donation towards the Wooroloo colony system, where young men and women are being brought back to health, would do more good than money spent on compensation to dairymen for the shooting of their tubercular infected cows.

I read that because some people have been scared in regard to bovine tuberculosis. That is the opinion of a doctor, who says that it is a very rare disease in Western Australia, and his opinion is backed up by other medical men in the city. However, I do not want to give the impression that I am opposed to the control of disease in dairy stock. My attitude is quite the reverse; but I think that, if it is found necessary to destroy certain dairy stock on account of disease, the owners of that stock should be compensated for the loss they have to bear. That loss would be incurred in the interests of the community generally. Perhaps at some later date, when further attention is being given to this particular matter, consideration might be given to the inauguration of a compensation fund in regard to dairy cattle. This reminds me that, in looking through the balance sheet of the Metropolitan Milk Board, I noticed that, in what is known as

the Dairymen's Compensation Fund, there is an amount of £14,000 or £15,000. Not a penny of the fund has been used since the board came into operation in, I think, 1932. Something might be done in regard to using that money for compensation to owners whose dairy stock has to be destroyed for health purposes.

When introducing the Bill, the Minister made reference to the fact that producers had built up an equity of £10 per gallon; that is, every gallon of milk they have established by way of quota is worth £10. The result is that if a man has a 40-gallon quota his place would be worth £400 more than the property of a man who had no such equity. I cannot see anything wrong with that. I think it applies to most businesses in which an equity is built up, and I do not see why dairymen should not also have the benefit of this equity. I remind the House that a dairyman has to do a lot of work to obtain this £10 per gallon equity. For instance, he had to establish his quota in the lean period of the year. Again, he has to keep his herd up all the year. He has to work very long hours and, generally speaking, he does extra work as compared with that done by other dairymen in order to establish that value of £10 per gallon. The Minister also said that despite the fact that producers had established this £10, they were asking for an increased price. I think that is justified. When members think of some of the difficulties that the producers have had to stand up to in the last year or two, they will agree that the producers are entitled to an increased price, and that they have established their case for it. They had to face a bad season. In addition there were irregular supplies of fodder and a shortage of labour and sometimes inefficient labour. I point out that inefficient labour is a very bad thing in dairying.

If there is one primary industry which needs experienced and efficient labour it is the dairying industry. I think the Minister will agree with that. Then there is the reduced production on account of shortage of super of a lower phosphate content and a higher price, deterioration of land, fences and machinery, shortage of seed oats, the shortage of stud stock and the difficulty in obtaining cows. Those are some of the difficulties that the producers have had to con-

tend with. I think they are such as to entitle the producers to the increase in price that they obtained. When we compare that price with what the producer gets today it does not seem very great. The board's price is 1s. 6d. per gallon less 1d. for brine-cooling, which brings it down to 1s. 5d. Then we have a Commonwealth subsidy operating. That amounts to 1d. per gallon so that the price goes back to 1s. 6d. less the cost of transport, spillage, etc. This subsidy increases according to the time of the year. At present it is 1d.; in December and January it will be 3d.; from February to May it will be 5d.; from June to July it will be 3d. and in August it will be 1d. I have not very much to say except this: I would like to remind the Minister that, when dealing with the prices that dairymen have established in regard to their quota or what they have established per gallon, they have not established as great a price per gallon as has the retailer. I believe that the retailer is on a better wicket, or premium, as the Minister called it, than is the producer in regard to price. I did hear—although I cannot prove it—of one retailer who had a round of 50 gallons and was able to obtain £1,000 for it.

The Minister for Agriculture: That was for the whole of his business.

Mr. McLARTY: The other is part of his business. As I say, I think the producers' claim has been justly established on account of the added labour. I do advocate that there should be greater control of milk coming into or passing through the metropolitan area. The surplus milk problem should be overcome somehow. I feel sure that a considerable quantity of this milk, called surplus milk, and paid for at a lower rate than that fixed by the board for quota milk, is often used in the same way as quota milk. In order to overcome that difficulty, it is necessary that the board should have complete control over all milk coming into or passing through the metropolitan area. Much of this milk goes to Kalgoorlie. I cannot see why the people there should not have a fixed price for their milk. I say this to the Goldfields representatives that I do not think it would increase the price of that milk by one penny to the consumers. I am glad that the Minister is going to give consideration at an early date to making this Act permanent. It is long past the experi-

mental stage. Many of the great cities throughout the world have a permanent milk board, and it has now come to be realised that milk boards are necessary for the proper distribution and production of milk. I support the second reading.

MR. HOLMAN (Forrest): I am pleased that the Minister has introduced this Bill. I can safely say that is the opinion of most of the producers, if not all. It is a fact that there is some disappointment because it is not being made a permanent measure, but we are pleased to note that the Minister, when moving the second reading, made it clear that he intends to make it permanent at a later date. The Bill before the House is for the continuation of the Act, and for the purpose of making two amendments to it. We can quite understand the Minister's action in that respect because of the period through which we are passing. Numerous other amendments are very necessary, and time has proved them so, but, as we are passing through a period of war, this may not be an opportune moment to deal with them. On the other hand, the opportune time is generally the present time, and we should not procrastinate in regard to necessary amendments. The Minister said that there were many difficulties associated with the supply of milk in the metropolitan area. That is quite so.

Probably no one realises that more than do the members of the board. Before the Metropolitan Milk Board existed the producers undoubtedly had a very hard time. It was brought into being to overcome those undesirable happenings in respect to production. Everyone to whom I have spoken appreciates the very good work the board has done, and the difficulties it has encountered. That is why I am pleased to see that the Minister forecasts greater powers for the board in respect of control and distribution, and also in respect of the relationships between the producers, the retailers and the consumers. He mentions better control and delivery of a better product. That will also mean more satisfaction for those who need the milk. I am glad to see that the member for Murray-Wellington read into those words the matter of transport, with which I intend to deal in the course of my remarks. The Minister also said that there was room for laboratory work to ensure a healthful article. I think that

is an important aspect, especially in view of the latest controversy on bovine tuberculosis.

Before the operation of the Act, the producers were receiving prices as low as 6d. to 8d. per gallon. There was no organisation to control marketing, and consequently the market was very uncertain. Bad debts at that time had a very deleterious effect on the industry. The reason why producers are pleased at the continuance of this legislation is that they have a set price and security of market under the contract system. This, however, does not necessarily mean that they are satisfied with the present price. The Minister told the House that although the producers have an equity of £10 per gallon of milk, they were still asking for an increase in price. That they should do so is only natural because of the conditions prevailing in the industry and because of the hard work they are doing. There is another aspect of the matter and this is that they must consider the post-war period. They have to be in a financial position to overtake the arrears of renovations and repairs that will be necessary when manpower becomes available, and any businesslike producer would appreciate that the requisite financial provision should be made.

If it is argued that at present the producer is getting a living wage, we should bear in mind that he ought to be receiving a return that will enable him to effect the requisite repairs when the opportunity to do so occurs. Before the Act was passed, there was a period of price cutting, of which most of us are aware. I wish to place on record information contained in a letter received from a producer in my district. He believes that the Milk Board saved the utter collapse of the whole milk supply. That is not undue praise for the board or for those responsible for the enactment of this legislation. He proceeded to say—

Unfortunately, the minimum price to be paid to the producer was too low to enable him to make much-wanted improvements in his plant and herds. Also the minimum price was not on the farm but at the depot, and in addition to the deductions made for cartage and Milk Board contributions, certain deductions that the Milk Board allowed were made by the purchaser, such as—"contracts were given on condition that the vendor add 20 per cent. to his quota at butterfat rates." In another case ½d. per gallon was deducted under the heading of "manufacturing subsidy." So

that in reality the minimum price on the farm which, after all, is what concerns the producer most, amounted to less than the minimum fixed by the board by over 1d. per gallon.

He went on to say that this is one of the reasons why he is most anxious that the provision in the Act basing the price of milk on the price of butterfat should be struck out. Furthermore, we should bear in mind that while we are making more amendments to the Act, we are approaching the stage where this legislation will become confusing. Consequently, the fewer the amendments, the simpler and more workable the Act will be. It has been suggested by some producers with whom I come into contact that most of the amendments forecast by the Minister should be left for him and the board to consider in conference. They believe that the board has been in operation long enough to know what regulations will be of advantage to all concerned.

The proposal in the Bill that the annual report of the board shall be made available to the Minister and to Parliament is, I consider, a step in the right direction. At present the only statement submitted to Parliament is the balance sheet, which gives us no information about the activities of the board. To obtain such information, we have to make private investigations. The tabling of the report will give members an opportunity to obtain a better knowledge of the board's activities. The financial statement of the board was tabled rather late. The Milk Vendors' Compensation Fund and the Dairymen's Compensation Fund for the year ended the 30th June, 1943, were certified by the Auditor General on the 31st December, 1943, but were not tabled until the 12th September, 1944.

There is a point I wish to mention regarding the compensation funds. Thousands of pounds have been paid into the fund, as the member for Murray-Wellington stated, and no call has been made on the fund. Therefore it would appear that the fund is unworkable, or that something more should be done in the way of reducing the contributions to the fund, or of allocating the money available to some other very necessary purpose associated with the industry. I do not know whether this could legally be done; I assume that every contributor would first have to be consulted. The Milk Vendors' Compensation Fund now has a total of £16,340, an increase for the year of £2,307,

and the Dairymen's Compensation Fund now stands at £11,796, which is an increase of £1,638 for the year ended June, 1943. This matter was brought up at a meeting of producers held a few months ago and they asked that a reduction be made in the contribution to the compensation fund.

Amendments of the Act are necessary and I regret that they are not included in the Bill, although I realise that the Minister intends to bring down amendments at a future date. The most important alteration needed is one to make this legislation permanent. The Minister has given us an assurance that this will be done. There are other suggestions in relation to the constitution of the board. I have read the debate which took place in the Assembly in 1935, and from that I have realised exactly the controversy that raged then respecting the personnel of the board. There was great activity to secure the inclusion of a representative of the retailers, but that eventually was not granted. The fact was also brought under notice that one of the representatives at that time was a producer and retailer, and it was urged that the retailers, therefore, had representation on the board through that member. And that is how the matter stands today. We have Mr. Grant, who has been elected as representative of the No. 1 zone, and is a producer and retailer; and further we have Mr. Groves, another member of the board who is a producer, but who evidently, from what I have been told, has had some experience in regard to the retailers' side of the milk industry.

There have been suggestions from certain sections that the consumers' representative should be cut out from the new board, but of course I am entirely in disagreement with that suggestion. I hold that the consumer is the other main half of the milk industry. The producer may be regarded as the main half, and the consumer as the other half of the industry and thus the latter is fully entitled to representation on the board. I do not think that suggestion will be agreed to by the Minister. However, it may be possible, in view of the shrinkage developing in the No. 1 zone as regards producers, to adopt a different formula as to representation on the board. The member for Murray-Wellington quoted the numbers of producers in the metropolitan area, and also the numbers in the No. 2 zone outside

the metropolitan area. I believe the figures were 108 producers in the metropolitan zone and 206 in the country zone.

Mr. Cross: That is the section which the Government spoon-fed!

Mr. HOLMAN: The member for Canning looks healthy, too. Perhaps he is spoon-fed. The position then resolves itself into the constitution of the No. 2 zone, and the shrinkage of the number of producers in the No. 1 zone. Very soon, I believe, we shall have fewer producers in the No. 1 zone, with a correspondingly increasing number of producers in the No. 2 zone, especially when, or if, the new settlement scheme arrives which we are given to understand will be put into operation in the post-war period. Then enters into the matter the question of the dry areas and the irrigation areas. Around Harvey and the Brunswick districts we have the irrigation zone, and I do not believe there is anything like the same number of producers there that exists in the area from Coolup downwards to Perth, including the Serpentine and Mundijong areas. Therefore it may be necessary to divide the No. 2 zone into halves—one for the dry areas and one for the irrigation areas; for I believe that we look to the irrigation areas for greater production of milk during the dry period. Certainly the representatives on the board are elected by a democratic vote, but there are factors even in democratic voting that should be taken into consideration. I hope that matter will be looked into.

I suppose I can safely say that 95 per cent. of the producers consider that the board should be a more representative body and have more power as regards machinery and facilities to deal with the many aspects of control and distribution. There is a definite reaction in the Brunswick and Harvey areas as regards representatives who are producers and also retailers. In that argument there are, of course, many pros and cons; but I am merely repeating to the House the opinions expressed to me by various producers in those areas. They say that the South-West produces about 75 per cent. of the wholemilk requirements, and yet these people have not got, as I have tried to indicate, a representative from their angle on the board. There is also a suggestion that a doctor of agricultural science or an agricultural chemist should be added to the board, or at least appointed to act in an advisory capa-

city. If that were done, probably we would have the answer to such critics as have been pronouncing their views, which may be quite erroneous, regarding the latest controversy about bovine tuberculosis. It might be well to have such men in an advisory capacity with the board.

The Minister for Mines: Why advisory?

Mr. HOLMAN: I am merely suggesting "advisory." There is a further suggestion that the control of production and treatment, including approval of dairies, be undertaken by one authority, with the object of removing the present dual control. That opens a very big subject. As things are at present, we have producers serving not only the wholemilk market, but also the cheese factories, the condensed milk factories, etc. These producers are under the dual control of the inspectors of the board and also those of the Agricultural Department. We are not very much concerned as to who eventually does get complete control, so long as the inspectors employed are fully qualified. I realise that at present a great number of the itinerant veterinary surgeons are in the Services, or at all events not available but should the time come when they will be available to the department, it would be necessary to do away with dual control. We would then be able to make the most advantageous use of the number of qualified inspectors available to us. That, in fact, would also have a bearing on the question of bovine tuberculosis.

As I quoted to the House, during the debate on the Estimates, many views were expressed, not only by people who did not or would not inform us of their names or status, but also by responsible officials. From not one of them did we get any specific statements regarding bovine tuberculosis. They all agreed that the risk of infection was real, but they had no idea as to the number of children infected or likely to be infected. In addition, there has been another contribution to the Press, published on a recent date, wherein it is stated that the leading authorities in England have shown that of the cases of non-pulmonary tuberculosis in children under five years of age, some 70 per cent. are of bovine origin. The Government should investigate such statements. There is another aspect of this matter. One of the amendments in the Bill deals with the distribution of milk that will be controlled by the

board. That milk may be diverted by the board's direction to schools or other institutions. In such an event, we should make sure that the milk is wholesome and free from bovine tuberculosis and other diseases peculiar to milk.

Another question is whether there ought to be employed in all licensed treatment plants a certificated chemist, which I believe is the practice in some butter and cheese factories, the object being to test the milk received and to guarantee its chemical and bacteriological quality. I believe that would be a step in the right direction and hope that the Minister will give consideration to it when replying. I believe also that the majority of the producers agree that the standard of the metropolitan wholemilk should be raised to 3.5 per cent. butterfat and 8.6 per cent. fats not solid. As a matter of fact, that is the standard allowed by the board at present in the contracts between producers and depots. The standard fixed in the Health Act is 3.2 per cent. butterfat and 8.5 per cent. solids not fat. That is not specifically provided for in the Metropolitan Milk Act, but I think we can read it into that Act. As I said, it has been suggested that the former should be the minimum, the reason being that it is necessary to have high quality milk. There is, however, a catch in it.

At present, as was stated by the member for Murray-Wellington, we have no proof of certain statements made to us. Some producers whose milk has a high butterfat content believe, rightly or wrongly, that some of that milk is used to assist in bolstering up milk of a low butter content, or for surplus milk. Consumers are entitled to receive good milk, and this suggestion, if carried out, would enable them to get it. Most producers take pride in their dairy herds, and the result is an increase in the butterfat content of their milk. Other producers—I believe happily that they are in the minority—are content to proceed in a slipshod way, and they supply milk that has only the minimum butterfat content. As I said, some depots insist upon the higher grade, and therefore some extra incentive is needed for producers to improve their herds. This is not a new idea. I was glancing through an English newspaper the other day—"The News Chronicle" of Saturday, the 17th June, 1944. In an article

headed, "Rich Milk May Benefit Farmers," it is stated—

The Government is not only concerned with getting more milk produced, and cleaner milk. The Ministry of Food are considering plans for rewarding dairy farmers on the basis of the quality. This would mean extra payment for high content of butter-milk, among other things. Many countries, including the U.S., already do this. Owners of Guernsey and Jersey herds in this country have been able in many cases to get an extra 2d. or 3d. per gallon on account of the quality of their milk, but only if they could find buyers. The scheme now being considered would entitle them to this premium, provided the milk came up to standard.

We should be in line with the Mother country and the United States in this matter. For that reason I believe, as do the producers and other sections of the industry, that premium payments should be made for milk of a superior quality. Such premiums could possibly be paid from a producers' fund or from the compensation funds now lying idle. That indeed would be an incentive for producers to increase the butterfat content of their milk and take a pride in their herds, and it would be of benefit to the State. There is another school of thought mentioned in the letter of a correspondent. That school does not believe that the price of milk should be based on the butterfat content. I do not know of an alternative. If we do not fix the price as outlined in the Act, we must have an alternative formula. I intend to wait until I am supplied with that formula before I deal further with this aspect.

The Minister for Agriculture: You will wait a long time.

Mr. HOLMAN: There is another matter to which I wish to refer, the price payable to farmers for milk other than manufacturing milk received by licensed treatment plants. That price should be the same as the price declared by the board as payable for metropolitan wholemilk. That could be done as regards surplus milk. It has been suggested both to myself and to the member for Murray-Wellington that milk not used in the metropolitan area should be paid for at the same price as milk in the metropolitan area. As a matter of fact, the Goldfields people have an extra amount added to the basic wage above that fixed for the metropolitan area and the South-West district. I believe that if a small extra amount were paid for the milk there it would be

taken into consideration in the computation of the basic wage; but the extra price should be taken into consideration for the benefit of the industry. Milk from the same cows should not be paid for at different rates simply because some of it is quota milk and some of it surplus or other milk. Another point has been raised and it might well be considered by the Minister. It is that milk board contracts for the purchase of milk should be continued from year to year, unless terminated by one month's notice from either contracting party.

At present the contracts are for 12 months. It is, therefore, necessary to renew them each year and that seems to be a waste of time, a waste of documents or contract forms, and also of energy. This reform would give the producer and also the contractor a more stabilised method of contracting, and would also give to both parties an opportunity to nullify the contract by giving one month's notice. A very important reform required is that greater control of the sale of milk by licensed dairymen should be exercised by the Milk Board, which should be charged with the responsibility of securing a proportionately equal share of the market for all licensed producers through these being vested in it the right to distribute to dairymen the proceeds of sales of all milk from licensed dairies. This suggestion is of great importance. Its acceptance would remove many difficulties of marketing brought about by an annual search by dairy farmers for preferential markets. Vesting in the board the right to distribute proceeds means that each licensed dairy farmer would participate in the return from all milk sold in proportion to his quota, or quota plus permit. At present, at the commencement of each contracting year, groups of producers and purchasers are formed, each group being the result of a search by dairymen for preferential markets and each group not concerned with how the other fares. Yet the whole underlying principle of the quota system is to ensure that this very condition shall not exist. One group of suppliers may be selling milk to a purchaser under contract and, should this purchaser increase his sales of milk, then the added return from the increased sales is distributed among this group of dairymen to the exclusion of others.

Furthermore, if this group of suppliers, after receiving an increased return, should fail during the summer months to supply the purchaser's needs, then other dairymen who have not failed to maintain production are called upon to supply additional milk at a time when production is most costly. Such a state of affairs must lead to chaos and is certainly not conducive to orderly marketing. Under a system of vesting, a return would be made each month to the Milk Board by each purchaser, disclosing the quantity of milk purchased from each dairyman and also the quantity sold as liquid milk or used in manufacture. A cheque would accompany this return to the value of all milk purchased at prescribed rates, less permitted reductions. Upon receipt of all returns the board would then allocate the proceeds to all producers in correct proportion. As a matter of fact, a lot of producers have been trying to induce the board to do this for a long time.

Some years ago an attempt was made to have established a central depot so that all milk could go to the depot, which would assist in putting into operation this latest suggestion that has been made. The Minister mentioned that the board should have greater control over the distribution of milk and the member for Murray-Wellington said that should include transport. Transport is one of the biggest factors so far as the producer and the industry are concerned. The re-organisation of handling and transport is necessary and essentially we should have bulk tanks and refrigeration. Mention of refrigeration opens up a big subject in respect of wholemilk and of butter also. There should be insistence on the rapid transport of milk. At present I believe that some milk from Wokalup is carted in many instances for two hours before being taken to the depot. It comes from dairies where there is only a system of water-cooling. Electricity does not extend to these farms, though it is hoped that, as a result of the deliberations of the Electricity Advisory Committee, electricity will soon be available there. Milk is taken from the dairy, and I have it on good authority that it is carted around for about two hours before it reaches the depot. Members can realise that that is deleterious to the quality of the milk and in hot weather could increase the bacteria content.

I contend that it is definitely not right; some means should be found whereby we could have rapid transport. After the milk reaches the depot it is brine-cooled and sent up by rail to the metropolitan area, where it is brine-cooled again and eventually reaches the consumer. That is not my idea of rapid transport. Some time ago it was different but, owing to the activities of the Transport Board, some of the trucks were taken off the road and that made it harder for the transport operative and also for the producer. It increased the time between the delivery of the milk from the producer to the depot. Other suggestions have been made in regard to the Bill. One contentious subject was mentioned; that is, added services. The computation of those added services is difficult because it can be readily understood that circumstances must of necessity differ, not only from district to district but also from farm to farm. That indicates quite plainly the difficulty in assessing the added services. Strangely enough, those added services are taken into consideration in the computation of the price of milk.

In the computation of the price of milk, I should think that the greatest factor to be taken into consideration is the economic factor. I believe that is being done in a roundabout sort of way in connection with the bonus paid by the Commonwealth Government, which relates to the supply of milk and, evidently, is related also to the economic factor. There are other matters that could be raised on this very contentious Bill, but I have said enough for the present. I hope some of the suggestions put forward will be considered by the Minister, that he will give us his ideas on those points in his reply to the debate. That not being so, I sincerely trust that the suggestions will be deeply considered when he brings this matter before the Chamber the next time and, as he forecasts, brings down an entirely new Bill. I have sufficient faith in the Minister, knowing him as I do, and in the Milk Board and the organisations controlling the interests of the producers, to believe that when that measure is brought before the House it will be in the best interests of producers and the consumers and, indeed, the milk industry. I support the Bill wholeheartedly.

MR. SHEARN (Maylands): It is not my intention to occupy the time of the House for very long on this Bill because we have been privileged to listen to the members for Murray-Wellington and Forrest, whose districts are so largely affected by this industry. As a result, the many aspects associated with it have been adequately dealt with. I merely rise to ask the Minister whether, when he is replying to the debate, he will clarify one or two points that appear to be somewhat ambiguous. I say, with the previous speakers, that when one recalls the chaotic conditions associated with the producers' angle and that of the distributors and, indeed, the consumers, too, of this particular product prior to the establishment of the Milk Board some 12 years ago, we can agree with the Minister that the Milk Board has, in all the circumstances, done a very excellent job. I believe, too, that with the experience it has gained it will be anxious to see that the many difficulties that still exist will be gradually but finally ironed out. I say quite frankly that I propose to support the Bill, but there are one or two provisions I would like the Minister to explain to me and perhaps to other members who may be in the same predicament as I am.

The first is in relation to the provision which gives the power of direction to the board. It may be that the Minister has been influenced by persistent representations, of the member for Subiaco particularly, to see that the various schools have a constant supply of good milk. That is very commendable and I support the Minister and the member for Subiaco in that regard, but I want to know just how far this somewhat open provision is intended to go. Does it mean that at some period or other the ordinary supplies are to be depleted so that milk may be supplied to schools? Or does it mean that the Minister, through the board, proposes that in such a contingency the milk bars will be quota-d, so to speak, for the purpose of ensuring adequate supplies of milk to the ordinary consumers? The Minister might explain that to us. On the other hand, does it mean that there is an idea underlying the Bill for the ultimate centralisation of the supply of milk? If that is so, it is time that we knew of it. I am also led to entertain that fear because the Minis-

ter made mention of the fact that it is his intention to introduce another Bill, if possible next year, to deal with every aspect of the problems of production and distribution. If that is so, I am wondering why the Minister found it necessary at this stage to introduce a new provision, such as this. However, he might be able to clear up that point.

The Bill contains another provision—and I think the idea behind it is excellent—that a report of the board's proceedings shall be published every year. I notice, however, the Bill says, "The Minister may publish a report." As the Minister has agreed that it is necessary or advisable that a report be prepared and presented, one might ask him whether it is his intention, because of the word "may" appearing here, that the report shall be printed and published, as I am informed is the case in the other States of the Commonwealth. The Minister may be able to give me some information on another aspect that was dealt with prior to by becoming a member of this House. I have received continued complaints that, though it has been argued to the contrary, the retailers, playing as they do an important part as the actual distributors to the consumers, are entitled to have direct representation on the board. The Minister might tell me that there is or was a producer-retailer on the board. I suggest that he is only a half-representative. I am not being personal at all. I do not even know the gentleman, but I suggest that the Minister might, when he is bringing down his next Bill, make provision in that regard unless he can successfully dispose of my contention tonight. The retailer is an important person in the industry. He is directly responsible for the delivery of milk to the consumer.

The Minister for Agriculture: You must have been in the House on many occasions when that question has been debated.

Mr. SHEARN: I have never heard a successful argument against it.

The Minister for Agriculture: You were member for Maylands when it was dealt with and defeated in this House.

Mr. SHEARN: I have never heard a substantial argument submitted to justify this House or the Minister in continuing to exclude the retailer. I am asking the Minister now, in the light of the information gained from the experience over the last seven years, which he admits has been disclosed to him and the result of which we

have in this very amendment before us, to be good enough to tell me what good reasons there are for the retailers not being represented on this board in a democratic fashion, by direct representation, as is the case in other industries.

The Minister for Agriculture: I shall at the appropriate time, but the Speaker might stop me from introducing new matter.

Mr. SHEARN: I am not attempting to do anything to compromise the Minister. I am merely seeking information. Knowing the Minister as I do, I would be surprised to know that he is not anxious to give it. I have much pleasure in supporting the Bill. Because of what the previous speakers have said, I believe this highly desirable measure is sincerely designed to meet all the conditions associated with the industry.

MR. CROSS (Canning): This Bill proposes to extend the Act for a period of five years. I am pleased that the Minister, when moving the second reading, indicated his intention to bring down a new and comprehensive measure next session. The time is ripe for a comprehensive review of the conditions in the wholemilk industry. Times have changed since the original legislation was introduced in 1932 and put into operation in the following year. I suggest that early next session a Select Committee be appointed to take evidence from various sections of the industry with a view to improving the Act and framing legislation that could be made permanent. Some action should be taken regarding the compensation fund, because a large sum of money is being accumulated in it. A large number of producers, particularly those in my area, are experiencing a very lean and difficult time. I suggest that some of the accumulated funds could be spent in improving the industry, or that contributions to the fund should be discontinued. Mention has been made of the prevalence of bovine tuberculosis. I was interested in listening to Dr. Hislop the other evening when he said there was no need for public alarm in connection with this disease, because it is entirely different from human tuberculosis and only in extremely rare cases is it communicated to human beings, even children. The Milk Board could well spend some of the compensation money—provided it has the power to do so, and if not power could

be provided in the measure next year—to clean up bovine tuberculosis because, regardless of whether it is communicable to humans or not, it would be better to have the disease stamped out. One of the most important requirements is that the milk supplied to the public shall be absolutely free from disease and dirt, and perfectly wholesome.

A number of retailers and producer-retailers in my area claim that they are entitled to an increase in price. It is not necessary to carry investigation very far to convince one's self that this claim should receive consideration. This would apply not only to producers in No. 1 zone and to retailers, but also to producers generally. The basic wage for the metropolitan area in 1933, when the Whole Milk Act was brought into operation, was £3 9s. a week. At present it is £4 19s. 11d., which means that the basic wage that has to be paid to every employee has risen by £1 10s. 11d. per week. Consequently, a producer-retailer in my district has to pay an increased wages bill of £6 4s. a week for carters. That is a substantial advance, but it does not represent the whole of the increase in costs. Super Shell petrol, 86 octane, in 1933 cost 1s. 5d. per gallon; today, for 64 octane petrol, the cost is 2s. 10d. per gallon, an increase of 100 per cent. Motor parts have increased in cost by 80 per cent. and the cost of repairs has risen similarly. In No. 1 zone some feed has to be purchased, and the increase for that is about 60 per cent. These are sound reasons why the number of producers in No. 1 zone are slowly but surely decreasing.

Mr. Thorn: Did not they have an increase?

Mr. CROSS: The price retailers in Perth received for milk was 4d. per pint in 1933 and it is 4d. per pint today.

Mr. Thorn: I thought it was 3½d. in 1933.

Mr. CROSS: I looked up my bills today and the figures are as I have stated. I still have the same vendor.

Mr. Thorn: I understood that an increase was granted.

Mr. CROSS: I know that I am paying 4d. per pint and that I paid 4d. per pint in 1933. These producers and producer-retailers in No. 1 zone have had to maintain their business and they have built up

the industry in the greater metropolitan area without any assistance from the Government, whereas producers in No. 2 zone have been spoon-fed by the Government throughout, as members well know. Tens of thousands of pounds have been provided to assist them in one way and another; large amounts have been spent on irrigation, but the people in No. 1 zone have had to paddle their own canoe and they are deserving of sympathy. I believe that consideration should be given to their request.

With the member for Maylands, I am of opinion that the retailers are entitled to have a representative on the board to put their point of view, because, seemingly, not too much consideration has been given to their complaints regarding the price. I have given figures that cannot be refuted to show the increases that have to be met. I have great sympathy for poultry raisers and for dairy farmers, because they have to work seven days a week. The dairyman works mostly at night; in fact, dairymen in my area never seem to stop. In the last ten years, some have left the business because they could not carry on in face of the increased costs. The population of the State is bound to grow and milk is absolutely essential to the community, and dairymen cannot be expected to supply milk unless they can make a reasonable living. While other classes of worker have benefited to the extent of 30s. a week in the last ten years, the milk producers have practically stood still, and it is time they were given consideration. The Minister would be wise if, early next session, he had a Select Committee appointed to collect evidence from the board, the retailers and the producers in the two zones so that we might be enabled to put the milk industry on a better basis, which would be to the advantage not only of those engaged in the industry, but also of the community generally and the whole of humanity. I am really pleased to know that the Minister will bring down a Bill, and I think it would be well to have, first of all, a comprehensive inquiry with a view to getting those in the industry reasonably satisfied and a supply of good milk for the community, and then to put the Act on a permanent basis. I support the second reading.

MRS. CARDELL-OLIVER (Subiaco): I shall not speak at any length, as so much has already been said. The Bill has my wholehearted support. I agree with some of the speakers that it takes too long to get the milk from the producer to the consumer. The milk brought to Perth is often 50 or 60 hours old, which in my opinion is much too old, even in the case of pasteurised milk. The member for Murray-Wellington thought the power of direction was one which might create contention. On the whole I do not support the power of direction in any industry, but during the war I have found power to be most necessary; and I consider it is more necessary regarding this particular industry than almost any other. The reason why I support the Bill is that I am waiving any feeling—I have about the power of direction, and that thousands of children have been without milk for almost two years in the metropolitan area. That is a very serious matter indeed. Many of these children rise early. Perhaps their parents go to work in factories or elsewhere, and in consequence the children have a scanty breakfast. They used to get milk at school at half-past ten. For the last 18 months or two years they have been unable to get that milk, especially on this side of the river. The reasons that have been advanced for this are various. First, that there were not any bottles to deliver the milk in. Thereupon the organisation to which I belong bought 3,000 bottles, and those bottles are still there. So the trouble was not lack of bottles. The next reason was the absence of a power to direct and of manpower. I believe lack of manpower is the real difficulty. The last speaker said that the manpower authorities had encountered great difficulties, and that many vendors had mere lads and girls in their employ, that a boy of fourteen years was receiving £5 per week as a milk carter. There are many difficulties to be encountered throughout this particular industry. One of the speakers said that perhaps there was a shortage in the schools and that that was why the milk was not given to the children.

I do not believe there has been any shortage, because every time any particular vendor complained of shortage I have gone to the Milk Board and always the chairman has made that shortage good. The shortage has been made good over and above the quantity the retailer usually sold. Therefore the

trouble was not a shortage of milk, but the fact that there was not any power to direct a particular vendor to go to the schools. That is why I so wholeheartedly support the Bill. I consider that the children should receive first consideration. Therefore the power of direction should be given, so that hospitals and nursing mothers and school children may have a priority in receiving milk. We are not desirous that the power of direction should be exercised, but we do want every child to get its milk every day. It is estimated that 230,000 children get a pint of milk daily throughout New Zealand. In England the same system obtains, although the country is hard up for milk. The power of direction nevertheless enables the children to obtain their milk there.

MR. SPEAKER: I suggest that that has nothing to do with distribution of milk in this country.

Mrs. CARDELL-OLIVER: My point is that the power of direction exists in England. The member for Canning spoke of milk prices, saying he had paid 4d. a pint some time ago and was paying 4d. today. Some time ago I paid not 4d. but 7d., and now I pay 8d. a quart. In speaking of milk prices, I do wish to point out that the price of milk charged to school children here is 7d. for a six-ounce or seven-ounce bottle per day. The same quantity of milk given to children in England costs only 2½d. Therefore some consideration should be given to the price of milk. I want to say that in this country we do not drink a sufficiency of milk. There has been a shortage of beer and a few other things, but there has not been a shortage of milk. Nutritionists tell us that we ought to drink about 420 pints of milk per annum. As a matter of fact, on the average we drink only 148 pints per person. The New Zealanders drink very much more, and the same remark applies to the United States. Owing to lack of the power of direction and perhaps owing to want of manpower, we have not had a sufficiency of milk, with the result that many families have been forced to resort to tinned milk. I am not against tinned milk; I think it is perfectly good milk. The only objection is that many people—

MR. SPEAKER: There is nothing in the Bill about tinned milk.

Mrs. CARDELL-OLIVER: I will say "milk in a container." When that milk gets into the home, very often the mother does not know the correct proportion to give to the children, and so the children are absolutely under-nourished. I shall not enter into details; we have had them in this Chamber already about the necessity for milk as regards height and weight of children. We have had that information so frequently that we are all conversant with it. In conclusion I merely want to say that the Minister has stated the Bill is going to be a five-years Bill. As we have had two or three speeches about the Milk Board I suppose I am allowed to say what I have said before on similar occasions, that I do think there should be a woman on the board. I consider the consumers' representative should be a woman, who ought to know more about this question than do other members of the board. We might have a retailers' representative and also a woman member representing the consumers.

The masters and mistresses of every school are most irate because they have not been able to obtain the milk. Some vendors have given the schools the option of receiving milk in bulk, but that would take the teachers away from their proper work. It gives the teacher more work, and it is unfair to ask her to serve out milk to children. We want the milk delivered in bottles. If I may be allowed to say so, I do not like brown bottles; I think white bottles should be used, and that is a matter which I think could be remedied by the power of direction. I do not think the board would use this power unduly and I think the vendors will accept it in a reasonable spirit. I do not like boards, but nevertheless I believe the period of three or five years is reasonable, having regard to the importance of this matter. I wholeheartedly support the Bill.

THE MINISTER FOR AGRICULTURE

(in reply): I am in the fortunate position of not being expected to sponsor any particular case, nor to hold a brief for any particular interest. I can therefore, after having been for many years in charge of the administration of this Act, speak quite impartially on the many vexed problems associated with the milk industry. If I were in a reminiscent vein, I could give the

House quite a few entertaining minutes on the subjects which have been debated at very great length in regard to many matters connected with the industry, even with regard to a clause which comes readily to my mind and which deals with the members of the board, one of whom shall be a woman. I seem to remember that. I intend thoroughly to examine the position, as I have promised, and to scrutinise all aspects of milk production and distribution for the metropolitan area and other large centres of the State. I remind members that the Title of the parent Act is the "Metropolitan Milk Act" and that the board is charged with the responsibility of the regulation and organisation of the supply, sale and distribution of milk to consumers in the metropolitan area. It has become necessary to safeguard that position, even within the scope of the authority given to the board under such sections as Section 30 and Section 36. The intention is to give the board authority to control the distribution in a manner that it was not authorised to do in the past.

While the member for Murray-Wellington is concerned in case some producers are told where their milk must be directed, it must be admitted that some large producers and some large agents have not served the best interests of the public in not varying the destination of their milk. Very often, profitable and favourable contracts have been made, contracts which, because of war circumstances, can only be temporary; but because they have been profitable the board has had great difficulty in meeting the requirements of consumers in several directions. Since the board is charged with the responsibility of regulating and organising the supply, sale and distribution of milk to the metropolitan area, it seems right that, within that duty of regulating and organising supply, the board should have the authority which the appropriate clauses in this Bill will give to it. I would say to any member who feels that this authority and control might be misapplied, that the very representation of the board, as it exists, will safeguard that position. If it is necessary to supply the urgent needs of consumers, as distinct from perhaps occasional trade or fluctuating trade associated with milk bars and the like, the board will have the authority to direct the milk into the best channel possible according to the

supply available. I will inquire into the likely effect, if any, on existing contracts and the authority and powers of the board in that connection.

I will also inquire into the point raised by the member for Murray-Wellington at a time appropriate to rectify any anomaly which might exist. Much has been said in the House this evening regarding bovine tuberculosis, the merits of pasteurisation and the treatment of milk to counteract the effects of tuberculosis in milk. Firstly, we have much diversity of opinion amongst acknowledged world authorities on the merits of pasteurisation; and, secondly, we know from the experience of those who have tested stock with the tuberculin test, that even if stock have had in their past history some gland affected with tuberculosis, it is unlikely that they will be reactors to the test; but it is very important to know that unless the glands of the udder are affected with tuberculosis, there is little or no likelihood of tuberculosis germs being in the milk.

Even if there were in many of the beasts in the metropolitan area a reaction to tuberculosis through the tuberculin test, unless the glands of the udder are affected it is extremely unlikely, indeed almost impossible, that tuberculosis germs would be present in the milk. I have recently had a report from the highest authority in this State on the subject; and after consultation with my colleague, the Minister for Health, we intend to have a series of tests made so that the fears of the public in this connection may be allayed. But, so far as I am concerned, in spite of tuberculin test reactors, whether in country districts or in the metropolitan area, proving the presence of tuberculosis germs in herds supplying milk to the metropolitan area, we must not imagine that it is necessary to slaughter such beasts wholesale.

When introducing the Bill, I mentioned the lengths to which I am prepared to go in a complete overhaul of this legislation. Although two members, at least, have said they are very pleased to hear I intend to bring down a new milk Bill, they may not be so pleased when they ultimately see it, because I would make no promises that either the organisation or the set-up of the board, or the authorities given to it, will be anything like identical with those now existing. After nine years' experience of

the administration and control of this industry, I consider there is much room for an alteration of the parent Act, and certainly an urgent necessity for a complete review and consolidation of the regulations under it. I doubt whether members of the board themselves could interpret the meaning of some of the regulations, and they certainly find great difficulty in their application. At this stage, I do not intend to give a long discourse on the subject of milk supply and all that is needed both for the metropolitan and country areas of this State; but I can assure the House that as it is my intention to have the whole matter scrutinised thoroughly, all those aspects will be given consideration during the next few months. I thank members for their interest in and support of the Bill.

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—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 21st November.

MR. WATTS (Katanning) [9.13]: It is not my intention to oppose this measure, because I consider it deserves to pass the second reading as it contains a great deal that is well worthy of our support. It is true that there is an apprehension in the minds of some that the increased benefits which I consider are, in the main, desirable, will increase expenses to industry and thereby—which is the only aspect of the matter which appears to be of serious concern—increase the cost of articles made in industry and hence directly or indirectly increase the cost of living; which, of course, would be part and parcel of the oft-told story of the dog chasing its tail in regard to the fiscal policy of this country and matters associated therewith. On a survey of the whole matter, however, I think we must come to the conclusion that there is no need for such an increase in the charges that are thought of by those people; and there is, on the other hand, to be considered whether or not the increased benefits intended to be con-

ferred by this measure are of such a character that we must subscribe to them or to the majority of them, whether there is some increase or not.

I was interested this afternoon to hear the answer of the Minister to a question from the member for Mt. Marshall on this subject, in which the Minister said that the State Insurance Office had not considered as yet the exact increase in premiums that might be deemed necessary if this measure were passed; and then, in the second part of the answer, indicated that if there was to be an increase, it would not exceed 15 per cent. I submit there are very strong grounds for the belief that there is little, if any, warrant for an increase of as much as 15 per cent.; in fact, I am very doubtful whether there is any warrant for any increase.

The Premier: The Minister did not want to mislead the House.

Mr. WATTS: I am not suggesting that the Minister gave other than a proper reply; but I am entitled to express the point of view that, if that were the ultimate decision arrived at, it would be a wrong decision, and to give the reasons why, in my belief, any increase should be much less than that, or non-existent, and that is what I propose to do to the best of my ability. I find that in 1942-43 the premiums received for workers' compensation insurance by insurers other than the State Government Insurance Office amounted to £246,839, and that the claims paid by those insurers amounted to £134,265. That was very comparable with the position in the four preceding years. It shows an excess of premiums over claims of £112,000 in respect of the insurers other than the State Insurance Office. In regard to the State Insurance Office, whose premiums have hitherto in many respects been somewhat lower for the same type of workers' compensation insurance, we find that the premiums for the year ended the 30th June, 1943, were £181,404, and that the claims paid amounted to £142,140, showing a surplus of £39,000 after paying an amount in taxation of £8,913. So it will be observed that on the operations of both those bodies in respect of workers' compensation insurance—that is to say, the operations of the non-Governmental insurance companies and of the State Government Insurance Office—the total

amount of premiums for 12 months was £428,243, and claims amounted to £276,405, leaving a surplus of £152,000. Even if we allow the figures which are given for 1940-41—there are no subsequent figures—in regard to offices other than the State Insurance Office, for commission and agents' charges and other expenses, totalling £71,000—which is an extraordinary large amount, in my opinion—we still find that in regard to the operations of those concerns there was a surplus of approximately £50,000 in regard to workers' compensation insurance.

I sat with the Minister in 1937 on a Select Committee of which he was Chairman. At that time the operations of the insurance companies, other than the State Insurance Office—which then had no legal existence—were established as showing a loss on workers' compensation insurance in respect of the year then under review, after allowing for agents' charges and other expenses in addition to claims paid. That fact is borne out by reference to the figures in the Pocket Year Book for the State for the year which ended at the time that Select Committee sat. It seems that there has been a considerable improvement from the point of view of these companies which may possibly be traced to the existence of the State Insurance Office, but more likely I think to some tightening up measures that have taken place in reference to the Compensation Act and claims thereunder by legislation that has passed through Parliament in the meantime, and also possibly there may have been some reduction in the incidence of accidents and injuries for reasons that for the moment I cannot find. It all seems to me to amount to this, that we should long ago have set out to do what the Select Committee at that time indicated should be the subject of further inquiry. That is to be found in the report of the Select Committee to which I have just referred.

The report was laid upon the Table of the House, and subsequently, I believe, was primarily responsible for the passage of the first State Government Insurance Office Bill. I personally have no hesitation in saying that had that Select Committee not met and given careful consideration to voluminous evidence and presented a report much, although not all, of which was unanimous, the intolerable position of the State Insurance Office which had existed up to that time would probably have continued. I think it has given very

reasonable and satisfactory service on the basis that was then agreed was justified and is justified today. At the same time it was unanimously recommended by the Select Committee that there were questions, other than those of insurance as a mere business or commercial career, that might be gone into in regard to workers' compensation insurance and accident insurance generally. In paragraph 16 of its report the committee used these words—

Your Committee believes that the compulsory provisions of the Workers' Compensation Act, and particularly the provisions of the Third Schedule thereto, support the theory that the relief of injured workers and workers whose health has been undermined by their employment is in the nature of a social service and should not be regarded as a business proposition in the usual meaning of the term. A careful perusal of the report of evidence taken by your Committee will provide many instances where witnesses have supported this view. Some interesting proposals were made by certain witnesses, which require much more careful and expert consideration than can be given by the members of your Committee. Such consideration might very well be extended to personal accident insurance and also (in view of the suggestions for compulsory third party vehicle insurance) to that branch of accident insurance also.

For the benefit of the employer and the worker, the lowest cost collected in the easiest manner is very desirable where cover in respect of accidents arising out of or in the course of employment is necessary. If compulsory third-party insurance (vehicular accidents) is provided for at any time similar remarks would apply.

Your Committee therefore feels that a Royal Commission, having at least one actuary as a member, should be appointed to make the most careful investigation into the whole matter, including the suggestions put before your Committee in evidence and also what is taking place elsewhere and to collect data and report fully as to the possibility of a workable scheme so that Parliament may give consideration to the matter.

As members of that committee we also had the member for Murray-Wellington, the member for Guildford-Midland, and the member, as he was then, for North-East Fremantle—he is now Minister for Education as well. All the members of that committee agreed to the recommendation, which was based substantially on the evidence given by a number of witnesses, that workers' compensation should be taken away altogether from the sphere of commerce and placed in the hands of trustees for the social benefit of the worker. It was anticipated by some of the witnesses that such a scheme would

enable the existing benefits to be conferred at lower cost to industry, or greater benefits to be conferred at no greater cost to industry. In either of these cases the work of such a Royal Commission, had it been brought to fruition, and included, as that Select Committee unanimously recommended, the third-party vehicular accident insurance would, in my opinion, have been extremely useful at the present time. However, I had from the Minister some 18 months or two years later an undertaking that such a Royal Commission would be appointed; the hon. gentleman to some extent gave an assurance that that would be so. That will be found in one of the speeches reported in "Hansard" about 1939.

Unfortunately no such action has ever been taken, and we find ourselves today in the position, as I have indicated, where the indications are that industry is having taken from it the sum of probably £150,000 more than is requisite for the payment of the claims that arise out of the workers' compensation law at present, and which is probably £75,000 greater than the cost of those claims plus any reasonable cost—in fact, a far greater amount than a reasonable cost—for the administration of such an institution as the board of trustees mentioned in the Select Committee's evidence. So it is a matter of the greatest regret to me that we are today faced with the necessity of conferring more substantial benefits and somewhat improved methods of obtaining those benefits upon the worker, but we are not able in any way to implement the proposals that will have the effect of giving them those benefits without increased cost to industry and which will ultimately result in increased cost to themselves. However, as I said, it can only at this stage be a matter for regret and, in addition, a matter for hope that time and opportunity will still be made use of to have this or a similar state of affairs brought about. So much for the question of workers' compensation insurance generally as I view it.

I have little if anything to complain about regarding the measure now before the House. For example, I have no objection whatever to the proposal to substitute £500 a year for £400 regarding tributers. We have already agreed to the principle that the maximum income of a person under the classification of worker shall be £500, and I personally see no reason why a

distinction should be made with regard to this particular class who are entitled to recover under the Workers Compensation Act. Nor do I object in any way to the proposal to increase the maximum of weekly compensation from £3 10s. to £4 10s. because, if one Act accepts the principle of an increase in the maximum wage which gives the definition of a worker, one must obviously consider the need for an increase in proportion thereto. Otherwise we would simply have lost sight of the circumstance that the general trend of wages is higher than it was for the same kind of occupation and would reduce substantially the benefit to which the worker is entitled if we left it as it was when wages were 35 per cent. lower.

Mr. Triat: Very logical.

Mr. WATTS: It might be or it might not be, but it expresses my feeling at the moment. Nor can there be any objection to the proposal for the replacement of artificial aids. These are circumstances we shall probably have to take into consideration in future rather more than we have done in the past. After the war, there will be a fair number of people engaged in industry who will start off their employment with such artificial aids, probably in some cases occasioned by war service. If we did not make some provision of that character, we might be inflicting hardship. It might be argued that people of the kind—returned soldiers—will have suffered those disabilities and could probably obtain their redress through the Repatriation Department, but I have no doubt that it would be a very neat, legal argument as to whether the Repatriation Department were liable if the injury and damage done to the artificial aid were occasioned by an accident arising out of or in the course of the man's employment and he was no longer employed in the Armed Forces. Such a point might well be taken, and I am sure it would be taken by the Repatriation Department that it was not responsible at all. If that point of view were not taken—and no doubt the position would be examined by the State Government Insurance Office and other insurers before they incurred the obligation—then the matter could be settled satisfactorily by negotiation.

There is one part of the Bill with which I am not entirely satisfied and on which I would like some further information from

the Minister when he replies. That is the proposed amendment to paragraph 18 of the schedule to the Act. For the life of me I cannot understand the amendment. As the Act stands at present, when a lump sum settlement is to be made, it "shall be assessed upon a calculation by the Government Actuary of the present value of the balance of the compensation still payable or likely to be payable to the applicant under the Act by way of weekly payments. No deduction of any nature or kind shall be made by the court from such actuarial assessment for any reason whatsoever." Those words are to be deleted and the following inserted in lieu:—

The lump sum shall be the sum ascertained by deducting the total amount received by the worker as weekly payments from the maximum sum of seven hundred and fifty pounds.

As I understand the proposed amendment, it amounts to this, that there can be no lump sum which is not based upon £750, which is the maximum amount, because all that will be required to arrive at a lump sum settlement will be to deduct the weekly payments received by the worker. If those weekly payments amount to £100, the only lump sum settlement the worker will be able to receive will be the difference between that and £750, namely, £650.

The Minister for Works: That point is receiving consideration.

Mr. WATTS: As the Minister is aware of the difficulty, I need not dwell upon it any longer. Beyond that, any observations I may have to make on the Bill—and they are not many—will be made in Committee. I propose to support the second reading and shall offer one or two suggestions in Committee. I consider that the Bill ought to receive the support of members, particularly on the second reading, because it seems to me to be justified and not likely to occasion any detriment to any section of the community if it is handled, as I believe it will be, in a reasonable and proper manner.

MR. THORN (Toodyay): The Leader of the Opposition has dealt with the most important proposals contained in the Bill, but there is one matter I would like to mention and that is the payment to hospitals. I am pleased that the Bill proposes to increase the payment to hospitals.

The Minister for Mines: Hear, hear!

Mr. THORN: I am glad to have the support of the Minister. I have felt that the hospitals have been definitely underpaid for workers' compensation cases. I believe that the members of the medical profession are amply provided for, but that the hospitals have received a raw deal. A sum of 10s. 6d. a day is not a fair remuneration for all they do. I wish to refer particularly to two private hospitals at Midland Junction which serve the Swan district and outer areas, and I feel sure I shall have the support of the Minister for Health in this matter. Those two private hospitals are situated in a big industrial centre and have to admit some very bad cases. They have to take cases that would prove fatal if the patients were transported any distance from Midland Junction. Recently there was a very bad burning accident in the moulding section of the Midland Junction Workshops. The two private hospitals received the patients. These are very difficult and most expensive cases to treat.

Recently there was another burning case, and it was sent to one of the private hospitals at Midland Junction. The patient, a lad, was 5½ hours in the operating theatre and had the services of three nurses and two doctors for that time. The matron of one of the hospitals told me that on these bad burning cases at the Midland Workshops, there was a loss of £24 by way of dressings, because nothing is allowed under the Act for dressings. The allowance is simply 10s. 6d. per day. When hospitals situated in such a locality have to take cases of that description, they definitely should receive special consideration. Another feature that I would like the Minister to take notice of, and that is not mentioned in the Bill, is the fact that these hospitals get no theatre fee in compensation cases.

As I have just informed the House in the recent burning case great skill and attention were evidenced and the patient was in the theatre for five hours. The nurses were carrying out the dressing under the instructions of the doctors, and the steriliser was going all the time. It is not fair to ask of these people that they should take cases from insurance companies and suffer this loss. Surely the insurance companies today can afford to pay a fee for the use of the hospital theatre, and I hope the Minister will consider that point. The Minister for Health was in Midland Junction recently—I am

not disagreeing with him—and informed a deputation that Midland Junction would not get a public hospital.

The Minister for Mines: No. Not a district hospital! There is a lot of difference.

Mr. THORN: A small hospital.

The Minister for Mines: A hospital of 100 beds.

Mr. THORN: I daresay it will be some time before that comes along. I do appreciate the fact that these hospitals are to receive a small increase for the work they do, because they are definitely entitled to an increase; and I sincerely hope the Minister will take into consideration the providing of a theatre fee for them. The insurance companies can well afford to pay. They may not make any great profit out of workers' compensation insurance, but today we have to judge businesses as a whole. I think every member will agree that the various insurance companies operating here are not showing any losses. Therefore I support the second reading of the Bill, hoping that the Minister will take note of the points I have raised. I would inform him and the House that I have spoken on behalf of the two matrons conducting the hospitals in the district in which I live, and that members of my own family have gone to those hospitals. The present payment of 10s. 6d. per day is utterly inadequate. I propose to agree to the second reading of the Bill.

MR. McDONALD (West Perth): I wish to make a few observations on this measure. First of all, the proposed increases do not matter to the insurance companies. I am sure members realise that. The amount of compensation might be doubled or trebled, and it would not matter to the insurance companies. Assuming that they make a fair premium charge, then the additional liability simply means an increased premium. So we can eliminate that consideration. Insurance companies do not care what kind of an insurance benefit is enacted by Parliament. In fact, there are insurance men of my acquaintance who are strongly in favour of full compensation for injured workers. Nor does it matter, in a strictly personal sense, to the employer; it just becomes an added cost in the same way as an increase in the basic wage. Businesses are so conducted that the employer or the company, as the case may be, endeavours to

preserve a margin for remuneration of the partners or the shareholders, as the case may be; and the difference in the benefits becomes part of the general cost of an industry to the general public. The real consideration regarding workers' compensation benefits is how far they increase the general costs of goods and services to the public at large, having regard to the industry of any country being required to compete with the industry of any other country.

If we trebled workers' compensation benefits, it would mean that industry in this State would be at a disadvantage as compared with industry in competing States. If our industry became unable to pay, owing to heavy costs whether in the form of workers' compensation or any other form, especially as we have free trade among the States of the Commonwealth, it would mean that industry would languish in our State and that our people would not find employment because industry could not carry on against industry in lower-cost States. I am not for one moment saying this to suggest that we should be a State in which anything less than the fullest possible provision was made for those who suffered from accidents. I do, however, want to say these few words because it is not a matter for the insurance companies. They do not care. Nor is this a matter that greatly affects the employers, except to the extent that they may lose their business owing to difficulty in competing with industry in lower-cost States.

It comes back, fortunately or unfortunately, to protecting the employment and standards of the people at large. It would affect particularly those who are employees. I am sure the Minister has that in mind; otherwise he would have made the benefits very much larger than they are even in this Bill. But because I think that in general the Bill rectifies anomalies and provides a basis of workers' compensation which is more just to the employee than the existing law, I am prepared to give my support to the measure. I do not want to enter into a discussion on the relative merits of State insurance and general private-company insurance; but the Year Book for 1943, if I may refer to it for one moment, shows that for the year ended the 30th June, 1941, the ratio of claims paid to premium income in the case of private insurance companies was

56.62 per cent., and for the same year the ratio of claims paid to premium income for the State Insurance Office was 51.67 per cent. So that in that year the private companies paid out a larger proportion of their premium income in claims than did the State Insurance Office. The same thing occurred in the succeeding year when, according to the Government Statistician, the private companies paid out a larger proportion of their premium income in claims than did the State Insurance Office.

On the other hand, it may be, as the Minister suggests—and I have no figures to go into this point at all—that the State Insurance Office is charging on the whole a lower premium for workers' compensation than do private insurance offices. Be that as it may, the actual ratios of claims paid to premiums collected are very much the same in the case of private companies as they are in the case of the State Insurance Office. I am not excluding the possibility that workers' compensation insurance is not due for a new examination and a new approach. We know from recent reports that in England, although the exact details have not arrived here, it is proposed to take workers' compensation insurance away from the present insurance system and make it part of the British social security system. It will then be financed in the usual way by contributions made by the employer, the employee and the State. It will be on the basis of weekly payments for a man, his wife and one child, the other children being compensated for by child endowment. Those payments will continue for the whole period of incapacity, even if it be for a man's life.

But the payments by our standards, I may say to the member for South Fremantle, appear to be very small—in the case of a man temporarily disabled, 35s. a week for himself, 8s. 9d. a week for his wife and 5s. a week for one child; and in the case of a man permanently and totally disabled, £2 a week for his life, 10s. a week for his wife and 7s. 6d., I think, for one child. When the proposals were presented to the British House of Commons by Mr. Herbert Morrison on behalf of the British Government, they were in general favourably received, especially by men like Sir William Beveridge, but Mr. Quinton Hogg, a Conservative member, while approving of the

principle, protested against the low rates of benefits proposed by Mr. Morrison. But this appears to be a case for low-cost workers' compensation insurance, a low cost which may be reflected in the production costs of Great Britain and therefore be a factor in competition with the production costs of a State like Western Australia. It is to be hoped, therefore, that Great Britain may be able to raise its insurance benefits so that it will not be in what I might call a perhaps unduly favoured position regarding competition with a State like Western Australia.

In Great Britain these proposals are going to abolish altogether the lump sum payment we have in our Act and which the Minister still retains. Those of us who have had experience of workers' compensation know that the lump-sum payment is a far from satisfactory method. A man may lose a limb or be permanently disabled and compromise for a lump sum. Unless he were very skilful, he might lose his money in less than no time by some improvident investment; and the money which he received by way of a lump sum to compensate him for a severe injury might find its way in a very short time into the pocket of some enterprising and somewhat unscrupulous person who might have lured him into some unsatisfactory purchase or investment. So, Mr. Morrison, having that consideration in mind, proposes to abolish the lump-sum payment in England and to provide that the weekly compensation will continue for the whole period of disability, even if it means the whole period of a man's life. I hope, with the Leader of the Opposition, that the Minister will take the opportunity before long to review the whole basis of workers' compensation and remove the weaknesses which exist in this legislation, and even in the amendment now being made. Certainly, a lump-sum payment is something which was introduced experimentally, more or less, and I think it has proved far from satisfactory.

Even before the proposals that were put before the British House of Commons this month, English legislation long ago had provided that where a man was permanently disabled he was entitled to his weekly compensation for the whole period of his disability. If the employer wanted to terminate his liability by a lump-sum payment, then he had to pay such a sum as would buy a life

annuity for the permanently injured workman which would yield him 75 per cent. of the amount of his weekly payments during the rest of his life. Those terms in England, even before the proposed social security legislation for industrial accidents that has recently been proposed, were far in advance—from a humanitarian point of view—of anything I know of in any Australian legislation. I regret that this Bill, which the Minister has rightly described as containing major alterations, has been brought down so late in the session. I may feel that the Bill should be supported, but I think the least the Government should do is to allow a reasonable time to those immediately affected in industry to study the measure, especially as the Minister has so far not been able to inform those engaged in industry of the estimated cost of the additional liability in the way of compensation. At all events, I hope we shall not proceed to the Committee stage tonight, but leave it till next week.

I endeavoured today to ascertain the views of people in business on this matter, and all they could do was to inform me that they were giving it consideration, but had not had time yet to analyse how the position would work out. If the Committee stage is left till next week, an opportunity will be given to them to examine the Bill and they will be able to make any recommendations they wish to their Parliamentary representatives in time to bring them forward when we come to the details of the Bill. The raising of the qualifying figure for contributors is no more than is proper. It was an anomaly that the figures should have been different in the existing legislation. Further, I think that the increase from £3 10s. to £4 10s. to be received by an injured worker is justified by the increase in the cost of living. I do not know that the figures work out quite exactly in accordance with the difference in cost between 1935 and the present time; but I am not concerned about that because they certainly work out approximately, and if there is any error I prefer to see it on the side of the injured worker.

Mr. Marshall: I think it is the other way.

Mr. McDONALD: If that is so, I am prepared to entertain any suggestions that may be made, but, from the figures, I take it that the difference would come to something under 20s. and, by proposing an advance of £1, the Minister has been on the safe side so far as the worker is concerned. I do not

think the Minister needed to cast any reflections on other States and other Governments as he did. I thought that was a weak point in introducing what we would prefer to regard as humanitarian legislation. It might equally well have been said that, until this measure was introduced, our State was suffering under a Government which had failed to take into account the conditions of the worker by leaving this figure at £3 10s. for so long. I agree that the dependants of a worker who dies should be entitled to receive something in the way of additional compensation which he would have been able to get if he had been alive. That seems to be no more than justice. I agree, too, with the additions in the way of hospital charges, and I agree with the proposal that a man whose artificial aids are damaged or destroyed in the course of his employment should be entitled to have them replaced under the workers' compensation scheme. I do not like the introduction of one word in connection with artificial aids. I refer to the word "mishap."

The Bill provides for compensation to replace these particular aids where they have been damaged or destroyed in an accident or a mishap. I think it would be wise to take out the word "mishap" and leave in the word "accident" which is consistent with the rest of the Act; especially as the word "accident" is one that has been analysed and defined by a long series of cases. The word "mishap" is one which has never before appeared in workers' compensation legislation, so far as I know, and its inclusion will lead to further litigation to determine what is the difference between an accident and a mishap, and what is covered by the word "mishap." If we leave in the word "accident"—a word which dominates the whole basis of workers' compensation legislation in all British countries, so far as I know—we will retain everything needed to protect the worker in this respect. The comparatively small amendments concerning massage treatment and workers' expenses in going to hospital appear to be no more than reasonable. I also note that the Minister appreciates that the proposed amendment in paragraph 18 of the First Schedule is quite obviously an error. As a matter of fact, it caused certain alarm and consternation on the part of those who read it and who thought that the Minister was setting out with a new scheme altogether.

The Minister for Works: I have an amendment prepared to meet the situation.

Mr. McDONALD: I have dealt with those observations which I thought should be made by me in connection with this Bill, and I now leave the subject, with the suggestion to the Minister that the Committee stage might remain until next Tuesday or some time next week in order to give an opportunity to people affected to convey to the House or to the Minister any suggestions they have to make as to the wording of the various clauses.

MR. LESLIE (Mt. Marshall): As this is essentially a worthwhile measure, I wish to assist the Minister to facilitate its passage through the House. At the same time I must at this stage make some comment which can be better made now than at the Committee stage. That comment is not criticism—although, if I were to become critical, I would say that the Bill to my mind does not extend the benefits of workers' compensation as far as I would like to see them extended.

Mr. Cross: Hear, hear! You had better come over to this side of the House.

Member: No, stay over there!

Mr. LESLIE: The part of the Bill in which I am principally interested is that which relates to the provision of artificial aids to workers who are crippled or are incapacitated by an accident in the course of their employment. Before dealing with that phase, however, I would like to say that I think the income limit or the eligibility qualification of £500 needs to be considered from the angle that a man on an income of £500 today is a jolly sight worse off than when he was on an income of £350, as was the case when workers' compensation was introduced. That man, unfortunately, is one of the lost legion. Wherever he goes, the means test is applied; and, if he wants to participate in social legislation benefits, he has to foot the bill all the time. Here again we find that if, in the course of his employment, he is unfortunate enough to meet with an accident, and he receives £500 in wages or as salary—with which he can buy no more than when he was receiving £350—he must foot the bill himself. I go so far as to say I would be happy to see the day when workers' compensation, such as it is, was wiped out altogether and a compulsory system of personal sickness and accident bene-

fits introduced in which everybody would take part and where there would be no financial eligibility qualification.

It always happens that the employee who is excluded by virtue of the financial qualification is the unfortunate one who gets it in the neck. The Leader of the Opposition has dealt with the probable cost to industry of the amendments; and that, of course, will agitate the minds of those engaged in industry or who are responsible for the management of industry. I contend there is no need to worry about that at all; because, on the figures the Leader of the Opposition submitted to the House from the Year Book, there will be no need whatsoever for any of the insurance companies to increase the premiums in order to provide for probable additional claims that will be made on them.

Mr. Marshall: Why not?

Mr. LESLIE: For the simple reason that they are making a fairly reasonable thing out of it now. The figures are there; they are public.

Mr. Marshall: You agree with the profit motive.

Mr. LESLIE: I do not say it is necessary to be a profit motive, but they must make ends meet. It is a wise policy to make certain that ends meet and to allow for a surplus. It is better to have a little over after meeting an obligation than to be short. The insurance companies have done this on a purely business basis. In view of the surplus of premiums over claims in the State Insurance Office there is hardly any justification for an increase in the premiums to be charged. I am not concerned with the criticism that has been levelled at the Minister or the Government for introducing this measure. I refer to the criticism levelled on the ground that it is likely to be an additional charge on industry no matter who eventually meets that charge. I do not think it will impose any additional charge.

Criticism has been made outside of the House of the possibilities of abuse under the Workers' Compensation Act. I know of a couple of instances where abuses have taken place. They were cases of self-inflicted injuries and in both instances the people concerned were very young. I cannot see how we can overcome abuses of that sort. I understand that any impositions under the Workers' Compensation Act by workers and doctors who may not be as scrupulous as their profession demands

are fairly well policed. I propose to deal now with the question of artificial limbs. The Leader of the Opposition raised one particular point that entered my mind, namely, the case of a returned soldier or a man who may be wearing an artificial limb or using an artificial eye or teeth. Particularly do I want this to apply to a returned soldier who is wearing an artificial limb and who has had that limb damaged in the course of his employment.

If at the present time a soldier suffers an injury or has an accident with a limb it is the responsibility of the Repatriation Department to repair or replace that appliance or do whatever is necessary, but if the injury occurs in the course of his employment, and the amendments in the Bill as now submitted become law, I can imagine the Repatriation Department trying to get out of its responsibility by saying, "There is another Act which provides that someone else has to pay for the replacement of the limb." While the worker may not suffer eventually there will be such legal argument between the insurance company concerned and the Repatriation Department as to responsibility that he will have to wait until the argument is concluded. It is possible for the Minister to include a clause to provide that in cases in which the responsibility for the maintenance of the limb is already that of some other organisation irrespective of what may occur to it during the employment of the worker under the Workers' Compensation Act, the insurance company need not or shall not take the responsibility of replacing that limb.

Mr. J. Hegney: Would not that be a reasonable charge against industry?

Mr. LESLIE: I do not care whether the Repatriation Department or industry bears the charge, but a decision must be made so that such a man may not be a shuttlecock between two contesting bodies. There is another point: The Act lays down that a worker who may suffer the loss of a limb is to be provided with an artificial aid. I think it is necessary for an addition to be made to provide that the maintenance of that aid shall also be the responsibility of industry, because that limb certainly will require maintenance and if it is to be the workers' responsibility I can foresee cases where a worker may "accidentally-on-purpose" damage the limb in order to have the maintenance carried out by means that are

not really honest, whereas if provision is made to provide him with an artificial aid and to maintain it even if it is only for a specified period of, say, at least two years, the worker is certain of getting a full measure of justice.

Mr. Needham: That is logical.

Mr. LESLIE: There is another point that I want to raise in connection with artificial limbs and it is this: It might be possible for a worker who has already suffered the loss of a limb to lose another limb in the course of his employment, or to suffer injuries of such a nature that the provision of an artificial limb or artificial aid is not possible.

Mr. J. Hegney: I know of a number of men who have lost one eye and subsequently lost the other in industry.

Mr. LESLIE: Yes. Something should be included in this Bill to provide that in those circumstances the worker shall receive whatever may be necessary in place of the artificial limb. If a man has lost both legs to such a degree that artificial limbs cannot be fitted—and it takes a good man to walk on two artificial legs; there is only one man in Perth that I know of who can do it satisfactorily—he should be provided with a wheelchair or some such contrivance to enable him to get about and enjoy in some degree the remaining years of his life.

Surgical appliances or instruments are mentioned in the original Act, but I think that a wheelchair or some such things should be definitely specified in the amending Bill while we have it before us. Let us make it as good as we possibly can. I propose to deal with that phase and with a number of others when the Bill is in the Committee stage. I do not agree with the member for Toodyay in regard to hospital fees. It is possible that I also do not agree with the Minister for Health. There is no differentiation in hospital charges according to the degree of treatment. Whether a patient enters a hospital and requires the constant attention of nurses every five hours, or the spasmodic attention of a nurse every 10 minutes, he still pays the same fee.

Mr. Thorn: You have misunderstood me. There is a differentiation between a private patient and a workers' compensation case.

Mr. LESLIE: I know, but I see no reason for it. In calculating hospital charges consideration must be given to the cost of col-

lecting those charges. In workers' compensation cases there is no cost of collecting so that actually the hospitals could afford to say, "We can reduce workers' compensation charges by 1s. a day because we have not got to worry about collecting the charges; we know our money is there." It is certain money, whereas in private cases it is often a case of a Kathleen Mavourneen effort to secure payment, and sometimes it costs more to collect than the original charge.

Mr. Thorn: That might be so in your district.

The Minister for Mines: It only costs 10s. 6d. a day.

Mr. LESLIE: On the average, perhaps, but there are plenty of the patients who are charged 15s. a day or more. I can see no reason for increasing the charges at hospitals and thereby imposing under the Workers' Compensation Act something that may be described as an additional charge upon industry, thus adding further to its unpopularity in certain quarters.

The Minister for Mines: Every country hospital board in Australia is asking for it.

Mr. LESLIE: Yes, because the money is so easy to collect. I have had a lot to do with country hospitals, and I have always contended that workers' compensation cases are quite safe because there is no need to worry about collecting the money. I agree that theatre fees should be charged, and it should be possible to charge for extras. That would be a much better provision than arbitrarily to increase the over-all fees charged to patients. I support the second reading of the Bill and will leave other matters I desire to deal with to the Committee stage, hoping that the Minister will pay some attention to the points I have raised.

THE MINISTER FOR WORKS (in reply): I have to thank those members who have spoken for the manner in which they have accepted the Bill, and also to express my appreciation to those who have not spoken.

Members: Hear, hear!

The MINISTER FOR WORKS: Their silence can be taken as indicative of almost complete approval of the contents of the Bill. I am able to understand the remarks made by the Leader of the Opposition with reference to the recommendation made by a Select Committee a long time

ago for the appointment of a Royal Commission to inquire into the practicability of establishing workers' compensation insurance and other forms of social insurance upon a new basis, the main purpose in view being to ensure that social insurance in this State should be made available much more cheaply than is possible under the present partly competitive and partly monopolistic system of providing insurance cover. I assure the Leader of the Opposition that the recommendation of the Select Committee has not been lost sight of. I am sympathetic towards the motive which caused the Select Committee to make that recommendation. If I remember rightly, it was unanimous. I think there was a great deal of justification for the recommendation and I would not be greatly surprised if early in the new year a definite move were made to set the inquiry moving.

I agree to a large extent with the Leader of the Opposition regarding his views as to the effect which this Bill, if it becomes law, should have on existing premium rates charged to provide insurance cover under the provisions of the Workers' Compensation Act. I am hopeful that the State Insurance Office, when it has completed its investigation of the effect of this amendment upon premium rates, will not find it necessary to increase rates to any worthwhile extent, even if it is found necessary to increase them at all. In reply to a question today I pointed out that the State Insurance Office rates, generally speaking, were about 20 per cent. lower than those charged by the private companies. Thus, even if the State Insurance Office does find it necessary to increase to some extent its existing rates, it should not be necessary for the private companies also to increase their rates. There is no real reason why the rates of the private insurance companies should be greater than those of the State Insurance Office.

The figures quoted by the Leader of the Opposition covering premium income and claims paid in certain years were distinctly illuminating and prove, I think, that the surplus of premium income over claims paid has been very substantial in recent years. In this regard all the business done by the private companies is of a much safer and more profitable nature than is the business done by the State Insurance Office. This

applies particularly because of the fact that the State office provides almost the entire cover for the mining industry of Western Australia.

Mr. Marshall: And, I think, for the timber industry as well.

THE MINISTER FOR WORKS: In connection with the mining industry, in addition to the risk of accidents associated with it, which risk is high, there is also associated with it the risk of industrial diseases. The latter risk is probably associated with the mining industry to a far greater extent than it is with any other industry in the State. Because of that, the claims paid by the State Insurance Office in any particular year do not by any means represent the full liability of that office with regard to claims to be paid. There is accumulating in the gold-mining industry under the Third Schedule of the Act a very great liability in that respect. Claims in connection with that aspect have not been lodged, but it is certain that as time goes on a great number of claims will be lodged and most, if not all of them, will be maximum claims, inasmuch as they finally represent claims for £750. From whatever angle the question of premium rates be viewed, it will be found there is no real justification for the existence of the higher rates at present being charged by the insurance companies, and therefore there would be no justification on their part for increasing existing rates because of the passing into law of this Bill.

There is a point, too, that during the war, because of maximum employment and greater total wages bills paid by employers generally in the State, the total premium income of insurance offices has greatly increased. Despite this, the insurance companies have not had to meet any increased claims because of any substantial improvement to the Act. So it is not surprising that the insurance companies have, in the field of workers' compensation insurance, been able to show much better results and indeed very satisfactory financial results during the years of the war as compared with the years immediately before the war, and particularly the years during which unemployment existed to a fairly widespread extent. In the ten years before the war, say from 1929 to 1939, the goldmining industry was very active, and it is in the field of goldmining that the State Insurance

Office transacts most of its business under the Act. During that period, in the field of general industry, activity was slack, and indeed in some years it was dreadfully slack. During the war years, the goldmining industry, because of restrictions on manpower has slumped, whereas other industry has been revived, and consequently the total wages bill paid in the field of industry has increased remarkably, while the total wages bill paid in the mining industry has declined considerably.

There is a point, too, although it may not be acceptable or palatable to many of those engaged in private industry, that cover under the Workers' Compensation Act is available to them at the State Insurance Office, generally speaking, at 20 per cent. below the existing rates. It might be argued that the private employer would be opposed on principle to transacting his business with the State Insurance Office. If that be so, that employer could have no legitimate complaint if he has to pay 20 per cent. more for his cover under the Act. If his principle is so strong as to prevent his transacting his insurance business at 20 per cent. less than he is now paying, he ought not to complain at the fact that the cost of workers' compensation represents a certain percentage of his total costs of production. In the States of Victoria and New South Wales, the Chambers of Manufacture have their own special insurance section in which workers' compensation insurance is transacted by them. They do not place their workers' compensation insurance business with private companies; they have their own section. As a result, they obtain their insurance cover at very much less than would be the cost if they operated, as do the employers of this State, through the private offices. In addition, in those States, the Chambers of Manufacture employ what are known as safety engineers. These engineers are experts in safety practice; they are employed full-time at high salaries and, by periodical visits to factories and workshops, are able to make recommendations to individual employers as to safety methods that should be adopted.

As a result of the operation of this system, the percentage of accidents, and especially serious accidents, in those two States, is reduced to a minimum, and the financial

burden of workers' compensation upon the manufacturing industries of those States is ever so much lighter than would otherwise be the case. I suggest to the manufacturers of Western Australia that it would be for them a very profitable move to employ at least one safety engineer for a start. If they employed one for 12 months, I am sure they would find it so profitable to them, directly and indirectly, that at the end of that time they would engage one or more additional men. I have not discussed this question with the Treasurer, but it might be possible for the Government to co-operate to some extent with the Chamber of Manufacturers if our manufacturers were prepared to make a move in that direction. From the point of view of the workers as well as that of industry being profitable, we ought to take all possible steps to make industry as safe as it humanly can be made. When an accident occurs, it is a great loss not only to the man involved, but also to his family. It is also a great economic loss to the industry in which it occurs, and also to the economic system of the State as a whole.

Because of these points, I feel that we in Western Australia are a great deal behind New South Wales and Victoria in making a satisfactory and scientific approach to the problem of keeping at a minimum the occurrence of accidents in the industries of this State. As I mentioned earlier, I have already had attention given to that clause of the Bill which proposes to amend paragraph 18 of the First Schedule to the Act. I have also had a look at the point raised by the member for West Perth regarding the use of the word "mishap" in addition to the use of the word "accident" in connection with replacement or repair of artificial aids which are destroyed or damaged as the result of an accident. I am quite willing, also, to agree to the hon. member's suggestion that the Committee stage of the Bill should be held over until Tuesday of next week. Further, I am prepared to have a look into the suggestion of the member for Toodyay about providing allowances for theatre and special dressings in the case of workers covered by the provisions of the Act.

Question put and passed.

Bill read a second time.

BILL—NATIVES (CITIZENSHIP RIGHTS).

Council's Amendments.

Schedule of three amendments made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for the North-West in charge of the Bill.

No. 1. Clause 4, Subclause (2):—Delete the word "all" in line 13, page 2.

The MINISTER FOR THE NORTH-WEST: This very small amendment makes no difference to the wording of the Bill, and I move—

That the amendment be agreed to.

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

No. 2. Clause 5, Subclause (1), paragraph (d):—Insert the word "active" before the word "leprosy" in line 37, page 2.

The MINISTER FOR THE NORTH-WEST: The Council's amendment means that an applicant for citizenship rights must not be suffering from active leprosy. I move—

That the amendment be agreed to.

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

No. 3. Clause 7, Subclause (1), paragraph (a):—Delete the words "has resumed tribal or native association" in line 41, page 3, and substitute the words "is not adopting the manner and habits of civilised life."

The MINISTER FOR THE NORTH-WEST: I see no difference between the two phraseologies, and I move—

That the amendment be agreed to.

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

Resolutions reported, the report adopted, and a message accordingly returned to the Council.

House adjourned at 10.45 p.m.

Legislative Council.

Tuesday, 28th November, 1944.

	Page
Question: Ministers' speeches, as to supplying proofs to members	1995
Electoral Reform Select Committee: Interim and minority reports presented	1995
Motion: Trans. railway extension, to inquire by Select Committee	1997
Bills: Natives (Citizenship Rights), Assembly's message	2001
Metropolitan Milk Act Amendment, 1R.	2001
Legislative Council (War Time) Electoral Act Amendment, 3R.	2001
Electoral (War Time) Act Amendment 3R.	2001
Lotteries (Control) Act Amendment, 2R., defeated	2002
Rural and Industries Bank, 2R.	2010
Mortgagees' Rights Restriction Act Continuance, 2R., Com., report	2018
Constitution Acts Amendment (No. 2), 2R.	2017

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

QUESTION—MINISTERS' SPEECHES.

As to Supplying Proofs to Members.

Hon. C. F. BAXTER (for Hon. H. Seddon) asked the Chief Secretary:

In view of the action of the Minister for Works in kindly making available to members a proof copy of his speech on the Workers' Compensation Act Amendment Bill delivered last Tuesday, will the Minister please arrange that members are supplied in the same manner with proofs of Ministerial statements in either House as expeditiously, and obviate the present period of waiting for the issue of "Hansard"?

The CHIEF SECRETARY replied:

There are difficulties in the way of complying with this request, but where practicable it will be given every consideration.

ELECTORAL REFORM SELECT COMMITTEE.

Interim Report Presented.

HON. C. F. BAXTER (East) [4.35]: By leave of the House I desire to submit an interim report of the Select Committee appointed to inquire into electoral reform.

Leave granted.

Hon. C. F. BAXTER: The report is as follows:—

In asking for further time to bring up the report of the committee, I have been