toria, objections have been raised. Even the larger States are becoming apprehensive of the effect of transference of these powers.

Mr. Seward: The States closest to the Commonwealth Government.

Mr. BOYLE: Yes. If there is a State which should receive some advantage from being in the Federation, it is Tasmania; but the Tasmanians are not eager to surrender their last vestige of sovereignty. Therefore I intend to register my vote against the third reading of the Bill.

On motion by Mr. Doney, debate adjourned.

House adjourned at 6.35 p.m.

Legislative Council.

Tuesday, 16th March, 1943.

PAGE
Bill: Coal Mine Workers (Pensions), Com. 2855
Motion: Youthful delinquents, detention conditions, to inquire by Select Committee 2868
Adjournment, special 2872

The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

BILL—COAL MINE WORKERS (PENSIONS).

In Committee.

Resumed from the 11th March. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 18, as amended, had been agreed to.

Clause 19—Contributions:

Hon. L. CRAIG: I move an amendment—

That Subclause (6) be struck out.

This clause provides for the contributions that shall be made to the pension fund, and sets out that the Government shall pay one-quarter, the miners one-quarter, and the companies, in effect, one-half. Of the companies' contribution one-half is to be passed on to the consumers. Perhaps all members of the Committee are not aware of the repercussions of this clause. In New South Wales and Victoria the contributions to the pensions scheme are roughly the same, but the total of the companies' contributions are added to the price of the coal, and that affects the price of coal to the extent of 5d. per ton. Here it is proposed that only 2d. per ton shall be added to the price of coal, so we differ from the other States in that respect. This provision means that the companies must pay out of their profits one-quarter of the contribution, or one-half of their contribution. For the last three years, I understand, the ordinary shareholders of the Amalgamated Collieries have not received any dividends; therefore, the contribution must come from the dividends payable to the preference shareholders. The Bill authorises the directors to deduct the contribution from dividends payable to the shareholders, whether preference or ordinary. Therefore, the Bill definitely repudiates a contract entered into between the preference shareholders and the company. I contend that if it is desired to alter the Companies Act it should be done by a Bill amending that Act, and not by this measure. An agreement was entered into between the Amalgamated Collieries and the preference shareholders by which the latter were to be paid eight per cent. on the amount contributed by them. It must be borne in mind that there are risks associated with mining companies. In New South Wales, where a pension scheme now operates, some of the mining companies are paying 10 per cent. by way of dividend and no deductions are made from the dividends of the preference shareholders; the whole of the cost has been passed on. But here the repercussions of this particular provision are greater still. I understand the capital of the Amalgamated Collieries is roughly £200,000 divided into 50,000 ordinary shares and 150,000 preference shares. The preference shareholders have no voting rights as long as they are paid a dividend of eight per cent. Consequently, the company is being conducted by the directors representing the 50,000 ordinary shareholders. This clause specifically allows or instructs or compels the directors to reduce the eight per cent. dividend.

Hon. C. F. Baxter: The Bill says "they may."

Hon. L. CRAIG: If there are no ordinary dividends, where else is the money to come from except from the preference dividends? This clause therefore says more than "they may." In effect, it says the directors shall pay the contribution from the preference dividend, thereby reducing the amount payable to the preference shareholders.

This affects the rights of the preference shareholders, and entitles them to vote at meetings of the company. As I have pointed out there are 150,000 such shareholders, as against 50,000 ordinary shareholders. The De Bernales group holds 100,000 shares of the 8 per cent. preference shares. In effect, this hands over to Mr. De Bernales the control of the company. If this Committee wants to do that, it should vote for the retention of this clause, but the principle is wrong. We should not interfere with the articles of a company in a Bill dealing with pensions. It should be done through the Companies Act. The repercussions are tremendous. The De Bernales group could, at the next meeting of the company, wipe out all the present directors. When this was drafted, I asked Mr. Dunphy if he meant that this would give the preference shareholders the right to vote if the dividend was reduced, and he said, "Yes, that is so. It will give them that right." This was ill-considered and ill-conceived.

Hon. C. F. Baxter: Why did you vote for the second reading?

Hon. L. CRAIG: Because some of the clauses are good and have much merit. We should delete those that are without merit and are unconscionable.

Hon. L. B. Bolton: Was the Government aware of the effect?

Hon. L. CRAIG: Apparently. We should wipe out the whole of Subclause (6), and the companies would then pay their contribution and, as is done in the other States, pass the cost on to the public. The coalminers are, in effect, public workers. They are in an industry essential to the community, and therefore the community, and not selected people who have a definite contract with one company, should pay for any disabilities associated with the industry.

Hon. W. J. MANN: In my second reading speech I made it perfectly clear that I regarded this clause as one of the blots on the Bill. I agree with all that Mr. Craig has said regarding its wickedness. The Collie miners never intended that such a clause should be included. I am informed that when their executive saw this clause and compared the Bill with the one from which it was copied, they were surprised. I said I would vote against this clause and I have not changed my mind. I can see the danger in regard to preference shareholders that may arise as a result of a large block of shares being acquired by one person. I feel sure that the public of this State would rather see the present conditions on the Collie fields continue without alterations in the management. We might bear one thing in mind. It has been stated that the ordinary shareholders have received no dividends for some years. I cannot dispute that, but I do know that the ordinary shareholders have no call for a great deal of sympathy. If what we are led to believe is correct they have drawn tremendous dividends in the past. Just how much we cannot say because they have not been made known. I heard many years ago that they were as high as 35 per cent. That was said by a man associated with the mines, not as a shareholder but in some other capacity. I intend to vote against this clause because we have no right to interfere with contracts made between shareholders and the company mainly affected.

Hon. Sir HAL COLEBATCH: I was surprised that Mr. Craig supported the second reading with the deliberate intention that the whole of the cost, with the exception of the portion contributed by the miners themselves, should be borne by the people, in the first place directly through the Treasury and in the second place by an increase in the price of coal. I agree that there is no proper place in this Bill to interfere with the articles of association of the company, but I do not agree with the suggestion that the company should be at liberty to pass on to the consumer—principally the Railway Department—the whole of the cost involved. I would ask your direction, Sir. I intend to move that the whole of the proviso be struck out. That will place on the company the obligation to pay its share and to pass on not more than 2d. to the public. It leaves out all reference to the articles of association which provision, to my mind, should have no place in this Bill. Should an amendment to strike out the proviso take precedence over the amendment moved by Mr. Craig?

The CHAIRMAN: Order! Sir Hal Colebatch wants all the words down to the word "ton" to remain. The correct procedure would be for Sir Hal to move an amendment on the amendment to strike out the proviso. If that is agreed to, the clause can be put as amended.

Hon. SIR HAL COLEBATCH: I move—

That the amendment be amended by striking out the proviso.

Hon. H. S. W. PARKER: We have been told that this Bill is almost identical with the Acts passed in the other States. That is not so. A provision similar to this subclause does not appear in the Acts of New South Wales or Queensland, and I believe it is not in the Victorian Act.

Hon. C. B. Williams: The Government is the only producer of coal in Victoria, so why should it appear in the Victorian Act?

Hon. H. S. W. PARKER: I am not aware of that.

Hon. C. B. Williams: Then you should be.

Hon. H. S. W. PARKER: The provision in the New South Wales Act corresponding to Clause 19 stops at the end of Subclause (5) of our Bill, and the same applies to the Queensland Act. The early part of Subclause (6) states, amongst other things—

No owner shall, in consequence of any payment to the fund, increase the price of coal supplied to any consumer by more than twopence per ton.

What is the meaning of those words? Nothing! The companies might say they wish to increase the price of coal by 6d. per ton. It might be pointed out that the contribution to the pensions scheme would involve only a fraction of a penny per ton, but the reply might be, "That does not matter; we are going to put up the price by 6d. per ton."

Hon. L. Craig: A company could not raise the price of coal in that way.

Hon. H. S. W. PARKER: There are many and devious ways by which the price could be increased, and the books could be kept in a manner to show that it was essential to increase the price. Some years ago I was a member of a Select Committee appointed to inquire into the price of foodstuffs, and the bakers showed clearly that the cost of delivery was the important factor in the price of bread. At that time the price of wheat was low. Later on, the price of wheat rose, and the bakers then contended that, in consequence, it was essential to increase the price of bread. The other States have not included a provision similar to Subclause (6) and it is not wanted here. If a pensions scheme is to be instituted, it is only right that the companies shall pay their proportion as is done in the other States. Let us leave it to the companies to decide where the money for their contribution shall be found. I oppose the subclause.

Hon. E. M. HEENAN: I think the subclause should be retained. I disagree with the construction placed upon it by Mr. Craig. If he wishes to conserve the rights of the ordinary shareholders——

Hon. L. Craig: I am worried about the preference shareholders, not the ordinary shareholders.

Hon. E. M. HEENAN: To my mind the subclause will retain, as it were, the status quo of the company. If Mr. Craig fears that interests holding 100,000 preference shares will obtain control of the larger company, my reply is that I do not think they could do that so long as we retain the proviso. If we delete the proviso, the preference shareholders would be able to gain control.

The CHIEF SECRETARY: I hope the subclause will be retained. The first and perhaps most important reason is that the pensions scheme will be a contributory one. If the companies are to be allowed to pass their contribution on to the Government and other consumers, the miners would be perfectly justified in asking that the equivalent of their contribution be added to their wages.

Hon. L. Craig: Not at all.

The CHIEF SECRETARY: All parties concerned in the getting and consumption of coal will have to pay a share towards the pensions. I do not think we need worry about anything that may be provided in the companies' articles of association, but we should make provision to ensure that the contributions by the companies will be met. The proviso does not make it mandatory for companies to pay their contributions out of the dividends to which preference or ordinary shareholders are entitled. It says that the companies may pay their contributions out of those dividends. I was interested to note the difference of opinion between the two legal members of the Chamber. Mr. Heenan says that if the proviso is taken out that will leave the way open for the very thing Mr. Craig does not want. If the proviso is deleted and the contributions are paid out of the profits, and the profits are not sufficient from which to pay the 8 per cent. preferential dividends, the preferential shareholders would, as a matter of course, become entitled to have a say in the management of the company. I am concerned that the companies shall pay their share of the contributions towards the scheme, and that they should be allowed to increase the price of coal by not more than 50 per cent. of the

amount of the contributions they make to the scheme. The miners cannot get out of paying their share, and the Government will be obliged to pay its share. There is very close supervision over the working of the Collie mines. This arises from the findings of Mr. Commissioner Davidson in 1940. I am advised that the Railway Department makes a close examination of the operations of the companies, and that there has been no attempt on the part of the companies to keep back any relevant information from those who are responsible for the supervisory work. Mr. Commissioner Davidson stated that in view of the circumstances as they existed in Western Australia the 8 per cent. preferential dividends should be reduced. He also made provision for the price to be charged for coal to be supervised.

Hon. L. Craig: Including the payment of the 8 per cent. dividends.

The CHIEF SECRETARY: That was based on the ability of the mines to pay 8 per cent. dividend together with a dividend to the ordinary shoreholders. Because the mines have not recently paid a dividend to ordinary shareholders is no argument against a provision of this kind in the clause.

Hon. L. Craig: The conditions as to calorific value are difficult to maintain.

The CHIEF SECRETARY: In the past the ordinary shareholders have done very well.

Hon. L. Craig: If they are the same people, but they may be different people today!

The CHIEF SECRETARY: They have not gone without some remuneration for their share holdings.

Hon. C. F. Baxter: Their share would have to come through dividends.

The CHIEF SECRETARY: The hon. member should read the reports of the Royal Commission. These questions have really nothing to do with the Bill. I am advised that there are 250,000 shares in Amalgamated Collieries—200,000 preference shares and 50,000 ordinary shares—that there are 18 individuals, including companies, who hold the ordinary shares, and that 217 individuals and companies hold the preference shares. Is it not reasonable that if the companies have no other funds with which to contribute to the scheme they should call upon the preferential shareholders to meet the cost? That procedure will be optional.

Hon. L. Craig: But the Bill holds a gun at their heads.

The CHIEF SECRETARY: The interests of the shareholders have nothing to do with the Bill. We could well leave the conduct of the companies to those in charge of them.

Hon. L. Craig: You do not leave it to them, because you are interfering with the articles of association.

The CHIEF SECRETARY: The hon. member is touching upon a ticklish point. Does he suggest that if the contributions are paid out of other funds and that the preferential shoreholders are not able to get their 8 per cent. dividends, the articles of association will be interfered with?

Hon. L. Craig: If there are no other funds, the contributions will have to come from the 8 per cent. dividends.

The CHIEF SECRETARY: I do not agree with the hon. member's argument. The money has to come from the companies, and it is for them to determine how they shall make their contributions. The Bill provides that the contributions may be made notwithstanding that this may interfere with the dividends paid to the preferential shareholders. If Sir Hal Colebatch's amendment is agreed to, I would expect the Committee to pass the balance of the clause, whereby it is provided that the companies may not pass on more than 50 per cent. of the contributions in the shape of an additional price upon coal. The Government is a large purchaser of Collie coal, and takes from 85 to 90 per cent. of the output from Collie. That is one of the main reasons for the difference between this clause and the relevant sections in the Eastern States Acts. I point out again that the conditions in Western Australia in the coalmining industry vary considerably from those appertaining to those of the other States.

Hon. H. S. W. PARKER: I understand that the companies are not making any profit for the ordinary shareholders. The price is fixed and everything is closely watched by the Government purchasers. The result is that the companies are only able to pay the 8 per cent. to the preferential shareholders. The intention of the Bill is to take the contributions from the companies out of the dividends that would be paid to preferential shareholders. The Government claims that this will be a means whereby it can reduce the dividends and give the money to the workers. If that is right, I question whether

this is the proper Bill in which to lay that down. If it is desired to reduce by statute the dividends paid to shareholders and alter the articles of association, that should be done by a special measure. It should not be done in this round-about way, tacked on to the end of a clause. For us to alter the memorandum and articles of association in this devious manner would be very wrong. It would be far more honest and straightforward to bring in a Bill to reduce the dividend from eight per cent. to whatever rate it should be.

Hon. L. CRAIG: The arguments advanced by the Chief Secretary are somewhat weak. He said that if the company were allowed to pass on its contribution, the miners could just as well request their contribution to be added to their wages. That is a most extraordinary statement. The company gets no benefit from the contribution and the miners get the lot! It might just as well be said that a man's life insurance should be made good by the basic wage. In this instance the miners are making a contribution of 5s. in the £ and they get £1 back.

Hon. V. Hamersley: The companies are getting no pension.

Hon. L. CRAIG: The miners get the lot. They are only paying 5s. in the £. Another thing is that the companies' profits are fixed by an award. Any contribution they make has to come out of their fixed earnings. I do not see that the companies can escape taking it out of the dividends that are payable to the shareholders. Another danger that has not yet been pointed out is that the contributions by the companies are not fixed. The Government's contributions are limited to £4,500 a year. Of the balance a third is to be paid by the miners and two-thirds by the companies. If the coal production of this country increases—as it must increase; it might double or treble in a few years' time—the Government's contribution will still be fixed at £4,500. The contributions per miner are fixed. The companies have to pay all the balance out of the fixed profits. The contributions might be trebled without any cost being added to the coal. In the end I can see the shareholders, preference and ordinary, getting practically nothing at all. I understand that the contributions from the companies in New South Wales amount to £80,000 a year. If we reach a quarter of that, the companies will be called upon to contribute £20,000 a year, all out of their fixed profits. I can see them being in a hopeless position if the industry develops. I can see no merit in this subclause or in the amendment. We should wipe it right out and have nothing to do with it.

The CHIEF SECRETARY: Though my arguments may be weak in Mr Craig's view, his argument is probably weaker.

Hon. L. Craig: Then it must be pretty weak!

The CHIEF SECRETARY: If the increase in the production of Collie coal were to be to any appreciable extent—say 50 per cent.—it is a certainty that the requirements of the Government railways and the East Perth Power House would not increase to the same extent. To put it another way, it is certain that the Government would not take 90 per cent. of that 50 per cent. increase. It is only in respect of the coal taken by the Government that the Davidson award applies. The hon. member tried to make the point that the profits are fixed. I say they are not.

Hon. L. Craig: The rate of profit is fixed.

The CHIEF SECRETARY: The profits are not fixed.

Hon. L. Craig: Of course, with a bigger turnover they make more money.

The CHIEF SECRETARY: The hon. member said that if we reached the position in which we were producing a quarter of the coal produced in New South Wales he could see that there would be no profit at all for preference or ordinary shareholders. Can that be so unless 90 per cent. of the increased coal produced is purchased by the Government and therefore subject to the Davidson award?

Hon. L. Craig: A big proportion of the increase would be purchased by the power house and the railways.

The CHIEF SECRETARY: There would be some increase but it cannot possibly be said that the increase would amount to 90 per cent. of the increased coal produced.

Hon. J. A. Dimmitt: You cannot say that it would not.

The CHIEF SECRETARY: I can say definitely that it would not. It is interesting to recall the remarks of Mr. Commissioner Davidson in connection with this question. He stated—

"and whereas since 1934 the date of the previous award (when His Honour allowed 6½

per cent. profit on the capital employed) returns from investments throughout Australia have been substantially reduced . . . and whereas if the company is unable to pay to the said preference shareholders a cumulative preference dividend of 8 per centum per annum the ordinary shareholders of the company may be deprived entirely of all prospect of a dividend for an indefinite period and may lose their effective voting control of the company and the value of the real and effective capital of the company may be progressively reduced to the detriment of the company and to the continuous performance of its contract with the Commissioner; and I do further award and determine that so long as the real and effective capital employed in the business of the company is equal to or in excess of £269,418 it should be allowed as a profit item sufficient to meet the obligations of paying the dividend of 8 per centum per annum to the preference shareholders on their paid up capital of £200,000, namely, the sum of £16,000 together with a further sum sufficient to pay the ordinary shareholders on their paid up capital sufficient to pay them 5¼ per centum per annum, namely, the sum of £2,625, and I do further determine and award that the total sum of £18,625 shall be regarded as an allowance of 6.913 per centum upon the real and effective capital assets of the company valued at £269,418.''

When it was pointed out to His Honour that his profit allowance of 6.913 per cent. was higher than the 6½ per cent. which he allowed in 1934, although he had expressly stated that returns from investments generally had fallen, His Honour replied that—''he had to face the facts that the company had an obligation to pay an 8 per cent. cumulative preference dividend and that the ordinary shareholders were entitled to some return. He recognised that an 8½ per cent. dividend in wartime was unduly high but the company was obliged to pay it or get into 'terrific difficulties' and it was not for anyone assessing prices to force a company to change its constitution or management, particularly at a time of crisis. The proper way out was for the Government by legislation to allow the company to reduce its dividend to its preference shareholders and this he thought would be a proper thing for the Government to do.''

That was Mr. Commissioner Davidson's opinion. We have not called upon the companies to reduce their dividends as suggested by the Royal Commissioner. But what we have done in this Bill is to provide that if there are no other funds available, the contributions to the pensions fund may come out of the eight per cent. dividend paid to the preference shareholders. It rests with the company whether it is done that way or not. It is not stated that it must be done but that it may be done. The hon. member's argument that the miners are getting everything out of this is not sound.

Hon. L. Craig: Who else gets anything out of it?

The CHIEF SECRETARY: Surely the whole of the persons interested in any industry—whether coalmining or any other industry—should bear a share of the cost of a pensions scheme.

Hon. L. Craig: You said that the miners were not getting everything out of this. Who else is getting anything?

The CHIEF SECRETARY: I think the companies will get a lot out of it.

Hon. C. B. Williams: There will be better production from the younger men.

The CHIEF SECRETARY: I think the companies will get a lot of benefit though perhaps not directly in the form of pounds, shillings and pence. I am sure their experience will be similar to that of most other concerns that have a pensions scheme of this kind, and the scheme will be worth a lot more than the contributions they are called upon to pay. There are other benefits besides direct benefits and the indirect will outweigh the direct. Whether the Committee agrees to take out the proviso or not I hope it will make sure that the companies are called upon to pay their share of the contributions to the pensions fund.

Hon. H. SEDDON: It is my intention to support the amendment. Seeing that there will be an increase in the cost of coal it is only right that there shall be the means of making an adjustment. By the provision that the increased cost shall not be passed on to a greater extent than 2d. per ton, we throw upon the companies the obligation of seeing that they adopt efficient methods of coal-winning. At the same time I am entirely in favour of the argument that there should not be in this Bill any interference with the articles of association of the companies. If that is contemplated it should be done by means of a separate Bill.

Hon. SIR HAL COLEBATCH: I entirely agree with what Mr. Seddon has said. Mr. Craig's argument seemed to be based on the assumption that at the present time the Collie mines are operating in the best interests of the country and that the railways and other users of Collie coal are securing supplies at reasonable prices. I say that is not the position. I recommend members to read the report of the Royal Commission that reviewed the industry ten or twelve years ago. As a result of that inquiry coal prices were reduced, but they have risen again. If

members have read the correspondence that has appeared in the Press, they will have appreciated that the employers blamed the men and the men blamed the employers, while both admitted apparently, that the right thing had not been done. I have it on the authority of a man I know to be competent to express such an opinion that, with the introduction of labour-saving machinery and improved methods, it would be easy to reduce the cost of Collie coal by at least one-third. To say that the companies should be allowed to pass on the whole of their contribution to the pensions scheme is to say that we are satisfied with what the companies are doing, that present prices are reasonable, and that any burden imposed on them must be passed on to the public in the form of additional prices. I can see no reason for the inclusion of the proviso which interferes with the articles of association and dictates how a company shall provide this money, but we can say to the companies, "You shall not be allowed to pass on more than one-half of the additional cost. You can easily recover your half by improving the methods employed in your mines. That is your business, not ours." I hope the Committee will strike out the proviso and retain the first portion of the subclause.

Hon. W. J. MANN: To my mind the amendment on the amendment rather complicates the position. I would not like to see the companies freed from any obligation to contribute towards the pensions fund.

Hon. L. Craig: It will not free the companies from that obligation.

Hon. W. J. MANN: There are a number of factors governing the position, but what is causing me most concern is the interference with a contract for a given return on money invested. I feel like supporting the amendment on the amendment, although it appears to be a bit dangerous in the light of Mr. Heenan's contention.

The CHAIRMAN: If the Committee wishes to deal with the measure at the one stage today, those who wish to see Subclause (6) deleted can vote for the amendment on the amendment with impunity. Those who wish to see the whole subclause remain, will vote against it. If the amendment on the amendment is agreed to, then we can consider the subclause as amended.

Amendment on amendment put and passed.

The CHIEF SECRETARY: The net result of deleting the balance of the subclause would be that whatever the contribution of the companies to the pensions scheme might be, it would be passed on to the Government and to other consumers. That would mean that the companies would in effect contribute nothing whatever towards the pensions scheme. I cannot subscribe to that principle. The only way in which we can make sure that the companies themselves will pay at least some proportion of the pension is to retain the portion of the subclause that provides that they shall be able to pass on not more than 2d. per ton on coal produced. It must be remembered that the contributions to the pensions scheme have been based upon 4d. per ton of coal produced, so that 2d. represented 50 per cent. of the cost of the contribution to the scheme. Those who desire the companies to escape all responsibility regarding the pensions scheme will vote for the deletion of the remainder of the subclause.

Hon. L. CRAIG: In ordinary circumstances the arguments of the Minister would have some substance, but it must not be forgotten that the profits of the coalmining companies have been restricted. The return of 5¼ per cent. which was allowable under the Davidson award is small, and who today would take shares in a company the maximum profits of which could be only 5¼ per cent.?

The Chief Secretary: It is doubtful if a company could be formed now to provide a return of more than 5¼ per cent.

Hon. L. CRAIG: This is not a war measure; it is a permanent proposal! If no restriction were placed upon the company's returns and it was able to build up reserves, the position would be different.

The Chief Secretary: Do you suggest the companies have no reserves?

Hon. L. CRAIG: I do not know what the reserves may be worth. I have not seen a balance sheet for years. The reserves may merely represent plant or holes in the ground.

Hon. Sir Hal Colebatch: The companies have had big dividends in the past.

Hon. L. CRAIG: I am not referring to the past at all. I understand the original flotation was not all it should have been, but I know nothing about the companies.

Hon. E. H. H. Hall: You seem to know a good deal.

Hon. L. CRAIG: I do not know anything about the past, but I do know that the earnings of the coal companies are fixed.

The Chief Secretary: That is not strictly correct.

Hon. L. CRAIG: They are practically fixed. I understand that the earning capacity is based on the production of coal of a certain calorific value, and as that coal cannot be produced the earnings are correspondingly restricted. Right through the discussion on the Bill the Minister has argued that because Queensland, New South Wales and Victoria have done certain things, this State should follow suit. Let us do something now that the other States may not have done. The Minister asks why the companies should not bear some portion of the contributions to the pensions fund. The Government passes its contribution on to the public, and freights and fares go up as the cost of coal rises. I hope the balance of the subclause will be deleted.

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

Ayes	9
Noes	14
Majority against	5

AYES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. L. B. Bolton	Hon. H. Tuckey
Hon. L. Craig	Hon. F. R. Welsh
Hon. J. A. Dimmitt	Hon. V. Hamersley
Hon. J. G. Hislop	*(Teller.)*

NOES.

Hon. Sir Hal Colebatch	Hon. E. M. Heenan
Hon. C. R. Cornish	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. W. J. Mann
Hon G. Fraser	Hon. H. Seddon
Hon. F. E. Gibson	Hon. A. Thomson
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. H. H. Hall	Hon. W. R. Hall
	(Teller.)

PAIR.

AYE.	NO.
Hon. H. S. W. Parker	Hon. T. Moore

Amendment thus negatived.

Clause, as previously amended, put and passed.

Clause 20—Tribunal may award pension in certain cases.

Hon. J. G. HISLOP: After repeatedly reading this clause, I remain in considerable doubt as to its meaning. I gather that as soon as the Bill has been assented to, the tribunal may pay pensions. I understood that part of the Bill is to come into force only after the cessation of the war. Is the measure to come into force after the war and on a date to be proclaimed, or does the clause take precedence over that? In one mine, I am informed, there are about 20 men over 60 years of age; and 10 or 12 of these will promptly react to the fact that they are not as well as they might be, and accordingly will cease work upon the enactment and proclamation of this measure. I understood that some reserve fund was to be built up by contributions paid before the date of proclamation. If a miner ceased work because of the condition of his health, the tribunal would have great difficulty in refusing him a pension. Should the Bill be not intended to come into force until a later date, then in my opinion Clause 20 should not remain.

The CHIEF SECRETARY: Dr. Hislop does not seem to grasp the meaning of the clause, because its basis is that some miners now working in the industry might be forced to retire before this part of the measure is proclaimed. In those circumstances the tribunal is to be empowered to grant pensions to such men. If a man 70 years of age finds it impossible to continue his war effort, surely he should be granted a pension; and similarly as regards men over 60 years of age.

Clause put and passed.

Clauses 21 to 30—agreed to.

Clause 31—Offences:

Hon. G. W. MILES: It is my intention to move an amendment as follows:—

That a new subclause be added as follows:—"(3) If after the commencement of this part of the Act a mine worker participates or takes part in strikes within the meaning of the Industrial Arbitration Act, 1912-1941, such mine worker shall not be eligible for a pension under this Act."

We have heard what has happened in New South Wales particularly, and also in other parts of Australia, with regard to strikes. Under this Bill our miners may reciprocate with New South Wales and Queensland miners. If our miners receive the benefits of the Bill, they must carry out their part of the contract. If they strike they should be deprived of the proposed pensions.

The CHIEF SECRETARY: When I invited the hon. member to submit a provision embodying his views, I did not think he would introduce matters such as this into a Bill like the present. A pensions Bill should not include a penal provision such as that embodied in the amendment. No mining community in the world has a better record than has Collie from the aspect of industrial

peace. Yet a member of this Chamber desires to include in this pensions Bill a provision that if there should be a strike by any section of miners or mine workers employed in any one mine, no matter what the reason for the strike might be, the right to pensions shall be lost. The hon. member could not get such a provision included in an Arbitration Court award. The provision would be sure to create trouble. I do not consider it necessary for me to argue the matter. I hope the amendment will not be carried.

Hon. V. HAMERSLEY: I support the amendment. The object in passing industrial arbitration legislation and setting up the Arbitration Court was to prevent strikes by workmen. These strikes proved detrimental not only to the industries affected, but to the Commonwealth as a whole. Now we have got to the stage where we are asked to grant pensions to coalminers.

The Chief Secretary: You are making a mistake.

Hon. C. B. Williams: If the hon. member was in the Chair I would forgive him.

Hon. V. HAMERSLEY: I understand that is the object of this measure.

Hon. C. B. Williams: It was.

Hon. V. HAMERSLEY: This Bill has practically been passed. Right throughout the debate it has been put to members that we should pass it because similar measures are in force in Queensland, New South Wales and Victoria. Yet for weeks and months past hardly a day has gone by without some reference to strikes in the coalmining industry in those States, notwithstanding that great stress has been laid on the fact that, because of the war, it is absolutely necessary that the coalminers shall continue working without interruption. The public will be charged with the expense attached to this pensions scheme. The Government will pass on the expense and make a profit out of it; that is why it is so eager to have the measure agreed to. The scheme will cost the Government £4,000 or £5,000 per annum and that amount will be passed on to the poor farmer. I know that. I have lived through similar occurrences and have been paying the piper. These extra costs are passed on to the primary producer every time. Similar measures have not prevented strikes of coalminers in the Eastern States. Had a provision such as this proposed amendment been included in the Acts of the Eastern States those strikes would not have occurred.

Hon. G. Fraser: Do you want to provoke the coalminers?

Hon. V. HAMERSLEY: I think it but right that the amendment should be passed.

The CHAIRMAN: While it may be within the rights of the Committee to insert this amendment in the Bill, I submit that this is not the clause where it should be inserted. If a miner goes on strike, then, by this amendment, he is to be denied a pension. But who is to say that he is on strike? In my opinion, the amendment ought to be inserted in the part of the Bill that refers to pensions. I rule that it is inadmissible to insert the amendment in this part of the Bill. Mr. Miles can recommit the Bill and insert his amendment in another part.

Hon. G. W. Miles: Which part?

The CHAIRMAN: The portion of the Bill that gives the miner a right to a pension.

Hon. C. B. WILLIAMS: After all the speeches that have been made on this amendment, we are now not to be allowed to speak to it. I agree with you, Mr. Chairman, that the amendment is stupid, and I am glad that you have ruled against it.

Clause put and passed.

Clause 32—Recovery of penalties:

Hon. L. CRAIG: I move an amendment—

That in lines 3 and 4 of Subclause (1) the words "or any two justices" be struck out.

I suggest that justices of the peace should not try cases of this sort. We have already had experiences of what justices of the peace have done at Fremantle with respect to starting-price betting cases and pilfering from ships. Here we suggest that local justices of the peace at Collie should be asked to inflict penalties on miners who have committed offences. It would be better if such cases were tried by a stipendiary or police magistrate.

The CHIEF SECRETARY: It would appear that this objection still persists in this Chamber.

Hon. L. Craig: We have reason for it.

The CHIEF SECRETARY: There is no reason to suggest for one moment that a justice of the peace in Collie would not be as fair as would be a magistrate. The hon. member has no right to reflect upon the impartiality of the justices of the peace in that part of the State.

Hon. L. Craig: I did not.

The CHIEF SECRETARY: The hon. member could hardly reflect in stronger terms

than when he spoke of justices of the peace at Fremantle trying starting-price betting cases and persons charged with pilfering from ships.

Hon. L. Craig: Do you suggest that is not a comparison?

The CHIEF SECRETARY: On behalf of the justices of the peace at Fremantle, I resent that reflection.

Hon. L. Craig: I think they are definitely partial.

The CHIEF SECRETARY: Starting-price betting and pilfering from ships have nothing to do with this matter.

Hon. L. Craig: They are both offences.

The CHIEF SECRETARY: I am just as partial to Fremantle people as Mr. Craig ought to be to Collie people. If the Committee decides that these cases should be tried only by a stipendiary magistrate, I shall not take any strong objection. I do, however, emphatically protest against the reflection passed by the hon. member on the justices of the peace at Collie. I do not think he has any ground for saying what he did, nor do I think he could mention any particular case which would entitle him to say that the justices of the peace would not be fair and impartial.

Hon. C. B. WILLIAMS: Mr. Craig may be right, but someone has to carry on the duties of justices of the peace. We cannot have stipendiary magistrates in every small part of the State.

Hon. L. B. Bolton: But we should have them in every big part of the State.

Hon. C. B. WILLIAMS: We have. The hon. member seems to be as forgetful as is Mr. Craig. Quite recently two cases of conspiracy concerning cigarettes stolen at Fremantle were tried. They were not dismissed by a justice of the peace, but by a magistrate. The police took further action, with the result that the persons concerned were convicted and received sentences of imprisonment up to seven years. Recently a man named Thorn—just escaped from gaol—was tried by a police magistrate, who ruled that there was no case against him. The police thought otherwise and he was tried by a Supreme Court judge and sentenced to three years' imprisonment. Police magistrates are no more efficient than are justices of the peace.

Hon. A. Thomson: They are.

Hon. C. B. WILLIAMS: I do not know that they are.

Hon. A. Thomson: They should be; they are trained men.

Hon. C. B. WILLIAMS: Some of them were clerks of courts and worked their way up. I have seen many stupid civil servants. They have been patronised and patted on the back and so have secured higher positions, some of them through social influence. It was not necessary for them to have ability. I agree with Mr. Craig that it would be better for persons charged with industrial offences to be tried by a magistrate. Some justices of the peace are unfair to the workers; they have an eye to business and put the boots into any fellow who might cause them to lose some profit by going on strike. It is not fair to ask justices to sit on a bench in an honorary capacity and judge their fellow citizens in the serious matters that may arise under this clause. It may be, of course, that political feeling might be roused in such cases. We have stipendiary magistrates paid to do their job impartially without fear or favour. They are above and beyond politics and criticism. I do not say that magistrates do not make mistakes. They do, as do judges and honorary justices. But it is not fair to ask honorary justices to sit in judgment on these matters. They are often forced into the position of sitting on the bench against their will, because their business may be interfered with as a result. It is not fair that a business man in Collie should be asked to sit and try a case where there has been some alleged flaw in an application for a pension. An extremely popular man may be charged. What is the effect? Bill Smith is told he must sit and try the case otherwise he will lose custom. Such instances might arise. A stipendiary magistrate visits Collie regularly. He can get there easily and is the proper person to deal with these cases.

Hon. W. J. MANN: Without wishing to cast any reflections on the justices, I am going to support the amendment. I am of the opinion that the justices at Collie, most of whom I know well, will be glad to be relieved of this responsibility. The stipendiary magistrate is resident at Bunbury and makes 12 visits annually to Collie in order to preside over the local court. Any prosecutions of this nature could well be investigated on those occasions. I am sure that everyone would feel that these matters would be better dealt with if adjudicated upon by a comparative stranger.

Amendment put and passed.

Hon. L. CRAIG: I move an amendment—

That in line 1 of Subclause (2) the words "or justices" be struck out.

This is consequential in view of the amendment just agreed to.

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

Clause 33—Fines and penalties to be paid into appropriate fund:

Hon. L. CRAIG: I move an amendment—

That in lines 3 to 5 the words "as the tribunal may think fit, having regard to the offence in respect of which the fine or penalty was imposed" be struck out.

My reason for moving this amendment is that I do not understand the clause. I do not know what the words I propose to delete really mean. There are similar words in the New South Wales Act, but they refer to funds. Here there is only one fund. The clause is quite clear down to the words I propose to strike out.

The Chief Secretary: There is no necessity for the words.

Hon. L. CRAIG: If the Chief Secretary agrees to their deletion, I shall say no more.

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

Clause 34—agreed to.

The CHAIRMAN: There are a couple of long new clauses to be considered. I will leave the Chair for 20 minutes.

Sitting suspended from 4.7 to 4.36 p.m.

New clause:

The CHIEF SECRETARY: I move—

That a new clause be added as follows:—

"14. Notwithstanding anything in this Act hereinbefore contained or implied, in any case where the receipt of a pension under this Act debars or prevents or is likely to debar or prevent a mine worker or a dependant of a mine worker from receiving or becoming eligible to receive a pension under any of the provisions of the Commonwealth Invalid and Old Age Pensions Act, 1908-1942, the tribunal shall reduce the pension payable under this Act to twelve shillings and sixpence per week, or any other appropriate amount, so that the person concerned receives or becomes eligible to receive the Commonwealth pension aforesaid:

Provided that, if at any time by virtue of legislation of the Commonwealth Parliament or otherwise the pensions payable under this Act in no way affect the right to or the amount of a pension payable under the Commonwealth Invalid and Old Age Pensions Act, 1908-1942, the tribunal shall pay to eligible persons the full rate of pension prescribed in this Act.

At a previous sitting I intimated that consideration was being given to certain amendments that would allow of miners who are entitled to pensions under this Bill not being disqualified from receiving the Commonwealth old age pension or invalid pension as the case might be. I also indicated to the Committee what the practice has been in the Eastern States. It will be remembered that for record purposes I read a memorandum which indicated that certain classes of pensioners under that particular Act did receive their pensions from the Commonwealth Government to the extent that there was no liability on the fund, but that in other cases the arrangement made with the Commonwealth Government did mean a liability on the fund up to a certain point. Since then there have been a number of conferences between the Crown Law authorities and others interested with the result that the amendments which appear on the notice paper have been designed to provide that in all cases where a miner is entitled to a Commonwealth old age or invalid pension he shall receive that pension.

Hon. C. B. Williams: What about a man who has too much money?

The CHIEF SECRETARY: This has nothing to do with those who have too much money because they are not entitled to the old age or invalid pension.

Hon. C. B. Williams: I want to be sure that the position is clear.

The CHIEF SECRETARY: If the hon. member will read the proposed new clauses he can form his own judgment as to whether they are clear or not. It is provided that a mine worker who is entitled to a pension under this Bill and who would also be entitled to a pension under the Commonwealth law, can have his pension reduced by the tribunal to an amount that would enable him to receive his Commonwealth pension and thus relieve this fund of the amount involved. It is also provided, just as it is in connection with old age pensions today, that the pension shall be subject to a variation in accordance with the cost of living. That would bring the provisions of this Bill into line with Commonwealth legislation in regard to old age and invalid pensions.

Hon. H. S. W. Parker: You are speaking of the proposed new Clause 15?

The CHIEF SECRETARY: I am speaking of proposed new Clauses 14 and 15. Where a mine worker would be entitled to

the full old age pension we make provision that the pension under this Bill shall be reduced to 12s. 6d. and if a mine worker is entitled to a smaller pension than that, the tribunal has power to alter the pension under the Bill to the particular amount thereby allowing the mine worker to receive his full pension under the Commonwealth legislation.

Hon. C. B. Williams: How could he obtain any old age pension if he were getting £2 a week under this Bill?

The CHIEF SECRETARY: If the hon. member will read the clause he will see that the tribunal is empowered to reduce the pension to which the man is entitled under the Bill.

Hon. C. B. Williams: How much is the maximum allowed under Commonwealth law?

The CHIEF SECRETARY: It is 26s.

Hon. C. B. Williams: Plus something. Thirty-seven shillings would be nearer.

The CHIEF SECRETARY: I think the amendments are particularly clear. In those cases where a miner would qualify for a Commonwealth pension as a result of a means test, the tribunal would have the right to reduce the pension he was entitled to under this Bill, which would relieve the fund of its obligation to that extent.

Hon. H. Seddon: There would be a big total amount involved in the saving to the fund.

The CHIEF SECRETARY: I do not know what the amount would be, but as I promised earlier, when discussing this Bill, that I would give to the Committee the opinion of the Government Actuary in regard to the measure, I think this is the appropriate time to let members know what he has to say. He was asked by the Minister for Labour to submit a report in connection with the Bill, and this is what the Government Actuary said—

> In accordance with your verbal request, I now submit a report in regard to the Coal Mine Workers (Pensions) Bill. As a result of the recent conferences between the Crown Solicitor, Mr. Burden (Deputy Director of Pensions) and myself, the position has been made much more satisfactory, and the effect of the proposed amendments will be a great improvement in the financial position of the fund.
>
> In my original report, I estimated that the gross liability so far as I could reasonably ascertain it, would amount to about £1,080,000. However, if it could be arranged that on the attainment of age 65, or earlier in invalidity cases, the members of the fund could obtain old age pensions or invalidity pensions payable by the Commonwealth Government, there would be a great reduction in the liability. The suggested amendments will have this desired effect, the gross liability being reduced to about £474,000—a reduction of nearly £600,000.
>
> My original calculations were based on the following income:—
>
> (a) 2s. 2d. per week per member;
>
> (b) 4d. per ton on coal production by the employers;
>
> (c) £5,000 per annum by the Government.
>
> The present value of these contribntions would be about £428,000. (a) and (b) are about in the same ratio as is provided in Clause 19 of the Bill. In the early years, the income will be more than the outgo.
>
> In a scheme of this description, there must necessarily be a certain amount of "trial and error." The rates of invalidity, retirement and mortality are not at present known, but will have to be ascertained by experience. There is very little to guide me at present, and so the figures quoted above are not to be considered as precise in the mathematical sense. I am, however, satisfied that on the proposed basis, the fund could be considered as reasonably sound. The contributions may have to be increased somewhat in future years, but there ought to be no violent fluctuations so far as I can foresee. This, of course, is subject to sound management and on the assumption that there will be no change in the benefits without actuarial approval being first obtained.

The Government Actuary, I may mention, had no information at his disposal regarding the number of miners on active service. In his report he indicates very clearly that the proposed new clause now before the Committee will improve the position from the financial standpoint.

Hon. V. Hamersley: Did he not say that his calculations were based upon a contribution by the companies of 4d. per ton?

The CHIEF SECRETARY: Yes.

Hon. V. Hamersley: But under the Bill only 2d. per ton is to be allowed.

The CHIEF SECRETARY: The Bill provides that the companies shall not be allowed to pass on more than 2d. per ton, which is half of the contribution that the mine owners will be required to make to the pensions fund. That is where the 2d. per ton comes in. I would not like members to misunderstand the Government Actuary's statement. He informs me that when he first examined the scheme he took into consideration the payments by the Commonwealth Government of the old age and invalid pensions as far as was possible on the information available to him. Therefore, where he quotes a reduction of nearly £600,000, it does not mean that the scheme is so much

better off than when he gave his first report. All that does is to show the difference that will be made regarding the fund by virtue of the Commonwealth meeting its liabilities in regard to old age and invalid pensions.

Hon. W. J. Mann: That deals with the objection that the Commonwealth will be able to evade its pension obligations.

The CHIEF SECRETARY: Yes.

Hon. G. W. Miles: If the new clauses are agreed to.

The CHIEF SECRETARY: Yes.

Hon. W. J. Mann: But that will reduce the contributions from the companies and the men.

The CHIEF SECRETARY: No. That is a point regarding which I do not desire any misunderstanding. The Government Actuary's report was based on the amount received by way of pensions as far as possible on the information then available. Since then he has been able to calculate the different amounts that make a difference to the fund, showing a reduction of nearly £600,000 as compared with the position as it would be if the mine workers could not receive the Commonwealth pensions. Then again the estimated liability of £1,080,000, which the Government Actuary has arrived at, was on the basis of the life of those at present engaged in the coal-mining industry. Seeing that the Bill is now confined to miners working underground, some difference will arise because of that alteration. Members will recollect that this report was drafted prior to the Bill being amended, the effect being that we removed from the pensions scheme men who do not work underground with the exception of three or four that the Committee agreed to include under the scheme. I think this will represent an advance compared with the legislation operating in the other States, which possibly will find it necessary to amend their Acts along similar lines. However, that is not our concern.

Hon. H. SEDDON: I went into this phase fairly thoroughly to show the extent the Commonwealth Government would be relieved of very considerable liabilities in respect to pension payments. The amendments indicated by the Chief Secretary will mean that in regard to men qualified for the old age pension, the Commonwealth Government will have to meet its obligations. The scheme will provide the requisite amount over and above the Commonwealth pension, with 12s. 6d. per week as the maximum. That serves to indicate what the position would have been had the Bill been passed in its original form.

Hon. H. S. W. PARKER: The New South Wales Act contains a provision whereby the tribunal is enabled to cancel a pension should certain circumstances arise. I think a similar provision should be included in the Bill. A man might be thought to be entitled to have a female to look after him, but for some reason it might be deemed not proper for a pension to be paid, and the tribunal should have the right to deal with the matter. The monetary side should not enter into it, and I consider a frugal man should be entitled to a pension. It seems strange to me that we have had no actuarial information from any one of the three States where similar legislation is operative. We have merely had a nebulous report from our own Government Actuary who, in effect, says that we must not regard it as an actuarial report. I thought such a report submitted by an actuary would be based on figures having some degree of accuracy, but in this instance the Government Actuary says that his figures must not be taken as mathematically correct. It seems to me that we are still without the desired information.

Hon. C. B. WILLIAMS: I am sorry that the new clause has been suggested for inclusion in the Bill. It will tend to make confusion worse confounded. The only comparison we can make is with the Mine Workers' Relief Fund. Goldfields members know that men have walked the streets with 5s. a week, although entitled to a pension of 25s. weekly—all because they had to await the arrival of a birth certificate from England or some distant place. I agree that we should get as much as possible from the Commonwealth Government. A man is entitled to the old age pension at the prescribed age, but if he has certain funds the pension is not payable. He has to go through various formalities and prove his ineligibility for the old age pension before he can come on the Mine Workers' Relief Fund.

Hon. H. Seddon: The amendment represents a far better scheme than the provisions under the Mine Workers' Relief Act.

Hon. C. B. WILLIAMS: Yes, but it is still inquisitorial. The worker will still have to prove that he cannot get the old age pension. A man of wealth can get £2 a week under this scheme, but a poor man can get only

37s. 6d. That is the position. If the cost of living comes down, down will come the 37s. 6d., but the rich man's £2 will remain untouched. The poor man can get only 12s. 6d. above the amount of the pension; the other man can get £2 a week from the fund, plus other benefits. How much pension would a man with young children obtain? I do not know. The man, moreover, would receive no pension until he produced his birth certificate, or other proof of date of birth. I see no reason whatever for this new clause.

The CHIEF SECRETARY: Mr. Williams appears to be under a misapprehension. The provisions of these new clauses are designed to protect the fund, and to ensure that all men entitled to pensions from the coalminers' pension fund shall receive the same treatment so far as pensions are concerned. A man who is not entitled to the Commonwealth old age pension will receive £2 a week from the fund, or 30s., according to circumstances. The man entitled to a Commonwealth pension will receive that pension, whatever the amount may be, and will also receive from the fund the difference necessary to make up £2 a week. There has been lengthy discussion of this matter by the Government's advisers, who eventually arrived at these new clauses. A great mistake will be made if they are excluded from the Bill.

Hon. E. M. HEENAN: There are still persons who regard the receipt of an old age pension as something to be ashamed of. Apparently a retired civil servant receiving a pension of £500 from the Government is all right, but the unfortunate who receives 25s. a week is to be ashamed of the fact. Workers on the relief fund are forced to apply for the old age pension, and the fund makes up any difference. Apparently a similar position is envisaged in the clause. I do not see how the clause can be amended, but I think many coalminers would prefer being the man who gets £2 a week from the fund to being a man who gets 12s. 6d. from the fund and the rest in the form of old age pension.

New clause put and passed.

New clause:

The CHIEF SECRETARY: I move—

That a new clause be added as follows:—

"15. The pension payable under Section six or seven of this Act to any mine worker who is not in receipt of or is not entitled to receive a pension under the Commonwealth Invalid and Old Age Pensions Act, 1908-1942, shall be subject to increase or review as hereinafter provided—

(i) If at the time any mine worker commences to receive a pension under this Act the maximum rate of pension payable under the Commonwealth Invalid and Old Age Pensions Act, 1908-1942, has been increased above twenty-seven shillings and sixpence per week by virtue of cost of living adjustment under Section 24 (1A) of the said Commonwealth Act, the pension payable under this Act shall be increased by the amount of the difference between twenty-seven shillings and sixpence per week and the total weekly pension then payable under the Commonwealth Act.

(ii) The rates of pensions payable under this Act shall be subject to review by the tribunal each quarter and shall be increased (and if increased shall be liable to be decreased) by the same amounts by which the maximum rate of old age pension is increased or decreased for the same period under the provisions of Section 24 (1A) of the Commonwealth Invalid and Old Age Pensions Act, 1908-1942.

Adjustments under this subsection shall commence with the first review of the old age pensions made under the said Section 24 (1A) after the commencement of this Act.

Provided that the rates of pensions shall not in any event be reduced under the provisions of this section to less than the rates prescribed by Sections six or seven of this Act."

New clause put and passed.

Title—agreed to.

The CHIEF SECRETARY: I believe it is the intention of some members to ask for the recommittal of the Bill. The Chairman informs me that there will be so many cross-references to attend to that it will not be possible to have a clean Bill by tomorrow. Therefore I think it well to adjourn the further discussion until Thursday.

Bill reported with amendments.

MOTION—YOUTHFUL DELINQUENTS, DETENTION CONDITIONS.

To Inquire by Select Committee.

Debate resumed from the 9th March on the following motion (as amended) by Hon. E. H. H. Hall:—

That a Select Committee be appointed to inquire into and report upon—

(a) what provision should be made by the State for the care and reform of youthful delinquents;

(b) the conditions of Barton's Mill prison as a place of detention for male youthful delinquents, and of York for females, and whether improvements can be effected at such places for such purpose; and

to which Hon. Sir Hal Colebatch had moved an amendment as follows:—

That a new paragraph be added as follows:—(c) the problem of juvenile delinquency generally.

THE CHIEF SECRETARY (on amendment) [5.14]: I really have little to add to what I stated on the main question, but in view of some remarks by Mr. Parker and Sir Hal Colebatch I feel that I should reply, even at the risk of some repetition. Mr. Parker's observations on the amendment I regard as somewhat revolutionary. One could almost think that the hon. member was anxious we should get back to the bad old days.

Hon. H. S. W. Parker: There are no good days now.

The CHIEF SECRETARY: I refer to the days when not only was corporal punishment inflicted on young children, but when they were also subject even to imprisonment. I would remind Mr. Parker that over the years numerous amendments have been made to the Child Welfare Act of this State. Indeed, I believe that in every country of the British Empire there have been made in such legislation amendments and so-called improvements, all of which have been in exactly the opposite direction to that which Mr. Parker advocates. The Children's Court is looked upon more as a court of correction than as a court of punishment. I think most people will agree with that definition. The hon. member went further and dealt with the general question of parental control and said how he thought these delinquent children should be treated. In doing so, I am inclined to think he overstepped the mark to some extent. I would like to ask him how he would compel parents to assume more responsibility for their children than apparently they do in some cases.

It was stated by Mr. Parker that we had reached the stage where parents should be compelled to assume more responsibility regarding their children. For the life of me, I cannot see how that can be done unless we employ a whole army of inspectors, whose duties would be to invade what has so often been described in this Chamber as the sanctity of the home. The hon. member did not mean to go quite as far as she did, but I can only comment on what he actually said. It is well known that we have no right at the present time to enter the home of any child unless the parents agree. I am told by the Child Welfare Department that its inspectors very seldom meet with any serious objection when they desire to visit a home. It will be recalled that Mr. Parker considered more publicity should be given to the activities of these delinquent children. He objects to that part of the Child Welfare Act which gives power to the magistrate to prevent—

Hon. H. S. W. Parker: No, I did not object to that. I objected to the total prohibition. I think it quite right that the magistrate should object to the publication of horrible details.

The CHIEF SECRETARY: If I remember aright, the hon. member advocated that in every case it would be an excellent thing if the names of those charged in the Children's Court were given publicity.

Hon. H. S. W. Parker: That is right.

The CHIEF SECRETARY: The Child Welfare Act empowers the magistrate of the Children's Court to prevent the publication of names: and the Child Welfare Department advises that that is one of the most valuable provisions of which it has had experience. These particular children come from homes of all classes of society. The fact that no publicity is given to some of these offences, quite frequently, has afforded the parents an opportunity to correct their children in their own way; and they may have been able to use methods which even the magistrate of the Children's Court could not adopt. I am told that there have been numerous cases where the publicity usually given to a prosecution would have been particularly embarrassing. I think Mr. Parker also took exception to the fact that under the Child Welfare Act records of any offences committed by a child, and for which he was prosecuted in the Children's Court, are not made available to a higher court. He considered the higher court should have knowledge of all the offences committed by the child and for which he was prosecuted in the Children's Court. The hon. member even went so far as to say that he had been advised by the police that the Child Welfare Act as it stands is at present breeding criminals.

Hon. H. S. W. Parker: I said certain of the police said so.

The CHIEF SECRETARY: I ask the hon. member whether he can say what section of the police so advised him. I have received no complaints from the police in that connection, and I am advised by the Child Welfare Department that at no time has the Police Department made complaints to that effect.

Hon. H. S. W. Parker: I do not wish to suggest that the Police Department, as a department, said so. I referred to individual members.

The CHIEF SECRETARY: I suggest the hon. member should be a little more particular.

Hon. H. S. W. Parker: I regret I was not.

The CHIEF SECRETARY: The hon. member definitely said he had been told by the police that the Child Welfare Act, as it stands, is breeding criminals. I think those were his exact words. As to the fact that the Police Court is not expected to take cognisance of convictions in the Children's Court, I remind the House that it was only last year this Chamber agreed to an amendment of the Child Welfare Act to that effect. So Mr. Parker is out of step with the action he took last session.

Hon. H. S. W. Parker: I voted on the question.

The CHIEF SECRETARY: I looked up the debate; no division was taken.

Hon. H. S. W. Parker: I expressed my vote by voice.

The CHIEF SECRETARY: No doubt the hon. member did. With regard to the detention of these delinquent youths, it is a fact that the various religious organisations are doing excellent and valuable work; but it must be admitted they cannot cater for the very few exceedingly difficult cases. In recent times we have had experience of a number of instances of juvenile delinquency where the boys concerned have been able, shall I say, to defy all attempts by those institutions to detain them. That, of course, gives rise to the necessity for the provision of some other institution that could cater for those boys. As I stated previously, there are very few involved. From time to time there is a wave of juvenile delinquency; then it dies down and, again, for some reason or other, it rises once more.

It is a fact that during wartime boys seem more prone to this kind of conduct than at other periods. According to the records of the Child Welfare Department, the number of boys involved is comparatively small. The department advises me that the boys who should be detained, that is, placed in an institution from which they cannot escape, are not likely to exceed ten in number at any one time, and that quite frequently there will be no boys liable to such detention. The establishment of such an institution would be costly in the first place, and, in the second place it would be expensive to run; further, it would make provision for only ten boys at the most, while frequently there would be no need for it at all. I do not wish to convey that there is no necessity to do anything at all in the matter. Its importance is recognised both by the Government and by the department, and I think I can say definitely that had it not been for the war we would now have an institution somewhat on the lines advocated by more than one member of this Chamber. The war has prevented the department from proceeding with the proposal.

A very interesting contribution to the debate was made by Sir Hal Colebatch. He touched on one or two important matters. For instance, he referred to the pre-school age as being the most important age, and I am inclined to go a long way with him in his contention. For that reason, he thinks more consideration should be given to kindergartens than has been accorded them up to date. He went on to commend the Commonwealth Government for the steps it had taken in recent times to provide a certain amount of money for the establishment of kindergartens. I shall not quarrel with the hon. member about his views on that subject, but I must point out to him, as well as to the House, that I, as Minister for Education, have not been able to obtain sufficient money adequately to provide for children attending our primary schools, and therefore I cannot be expected to be a strong advocate of the expenditure of additional money for other purposes, if it is going further to rob the primary schools of the facilities that, in my opinion, are so essential. The Government has not overlooked the question of kindergartens. As a matter of fact, it has provided a subsidy wherever a centre has been established. But behind Sir Hal Cole-

batch's comments is the ideal of establishing compulsory kindergartens for children of pre-school age, so that they will be available to all children and not be limited to the children of two sections of the community, as they are now. At present, parents who are in a position to pay can send their children to kindergartens. On the other hand, we have a number of free kindergartens, to which poor people, who are unable to pay anything at all, can send their children.

Hon. Sir Hal Colebatch: Only a small number.

The CHIEF SECRETARY: A very small number indeed. Of course, the position is aggravated by the fact that we are at war. There are many mothers who would be able to devote some attention to the war effort if it were possible for them to allow their younger children to attend a kindergarten. I come now to the question of raising the school age. Almost every section of the community now agrees that it should be raised. Steps are being taken in other parts of the Commonwealth gradually to increase the school age from 14 years to 15 and 16. More particularly is that being applied in New South Wales. I have no doubt that it will eventually be applied in this State too. I have given quite a lot of attention to this question during the last 12 months. Unfortunately there are many difficulties in the way. For instance, we have the question of the necessary accommodation, which is a rather important matter. There are also other factors which operate once we make the compulsory school leaving age higher than 14 years. As a result of the research made to date, I believe that, in the post-war years particularly, we shall be in a position to accomplish that which has not been possible previously. If that is so, I will be only too pleased indeed, should I have the opportunity, to take the necessary steps to see that our Education Act is so amended as to provide for some increase in the school-leaving age. Two other matters in particular were mentioned by Sir Hal. One was the question of the right of the Children's Court to authorise a whipping. Sir Hal said he had noticed that quite recently the magistrate of the Children's Court had expressed a desire to be in a position to order a whipping. I am advised that there has only been one instance where Mr. Schroeder wanted to adopt that course, but he was not, however, able to find anyone prepared to accept the responsibility of administering it.

Hon. A. Thomson: He should have made the boy's father do it.

The CHIEF SECRETARY: Why penalise the boy's father to that extent? I know plenty of fathers who would do it without being ordered, but in this particular case the magistrate was not able to get anyone to accept that responsibility and I am advised that it is the only time that Mr. Schroeder has expressed a wish to order a whipping. The other major point referred to by Sir Hal—and he dealt with it at some length—was his suggestion, on account of what took place in the particular case he mentioned, that the Child Welfare Act, or some other Act, should be amended. This was a case where the charge was laid in the Police Court and subsequently adjourned to the Children's Court. The hon. member said that if that had happened, it was not right, and that cases of that kind, particularly, should be heard in the Police Court. He asked to be told the reason why this case had been adjourned to the Children's Court. Consequently I made the necessary inquiries and found that in the proceedings in question three young girls of 14, 15 and 16 years of age were involved, and another young girl who had just turned 18 years of age.

Hon. Sir Hal Colebatch: They were witnesses, were they not?

The CHIEF SECRETARY: They were involved in the case. The Police Prosecutor made representations to the magistrate that, in view of the nature of the case and of the ages of the girls involved, he should adjourn it to the Children's Court. The magistrate desired to have a little time to think over the application. After due consideration he exercised his discretion and adjourned the case to the Children's Court.

Hon. Sir Hal Colebatch: It was reported to me that he came to the conclusion that he had to do it.

The CHIEF SECRETARY: No. The magistrate used his discretion, so I am advised, and decided to accede to the application of the Police Prosecutor. The case has been adjourned to the Children's Court but has not yet been heard. I understand that there is an appeal pending against the decision of the magistrate. I am, therefore, not in a position to say any more, except to draw

the attention of members to Section 20 of the Child Welfare Act, which provides—

A Children's Court and the magistrate or members constituting such court—(a) shall exercise the powers and authorities which are possessed by resident magistrates, or two or more justices under the Justices Act, 1902, in respect of children, and of offences committed by or against children.

So, the fact that this case has been referred to the Children's Court does not mean that the person charged, if found guilty, is likely to get off with a lesser penalty. The magistrate in the Children's Court has all the powers possessed by the magistrate in the Police Court, but it has been the practice in the Police Court, where cases of this kind have been brought forward, for a request to be made for the matter to be adjourned to the Children's Court, and where that has not been done, the magistrate has always had the power to clear the court and have the case heard in camera. I also understand that in quite a number of instances the magistrate has been only too pleased to do as requested, and the cases have been heard in the Children's Court.

Dealing now with the question of corporal punishment, the latest report of the Home Office on this question makes a very definite statement. It is to the effect that 80 per cent. of the boys who have been birched are back again in the court within three months!

Hon. Sir Hal Colebatch: Where is that?

The CHIEF SECRETARY: In England. That country has far more cases than we are ever likely to have in this State. That is concrete evidence that there is little value in punishing a child by birching. The practice, as a matter of fact, has practically ceased throughout the world. In addition, I would point out that in most countries today Children's Courts deal with youths up to the age of 18, and in quite a number of countries they even go up to the age of 21. Prior to the war breaking out there was a proposal in the Old Country, which was receiving very serious consideration, that the British legislation should be altered in that direction, to increase the age to 21. Since the war that matter has not been gone on with.

I thought it only right that I should express these views on this particular subject. The request for a Select Committee, notwithstanding the amendment moved by Sir Hal Colebatch, is no different from the original motion as far as I am concerned, except that it is a bit wider in scope. It really provides for an inquiry into the whole question of child delinquents. That is a very big subject, and this is hardly the time for a committee of that kind. I gave the House my assurance that this matter had not been overlooked by the Government. As I have said on previous occasions, had it not been for the war we certainly would have had an institution to cater for the particular boys we have referred to so often. Immediately the opportunity offers there is no doubt that we will proceed with the scheme approved of some time ago whereby we will utilise the farm at Wokalup and the accommodation at Whitby Falls in a way that will meet with the desires of all members of this Chamber. When speaking to the original motion I remarked that I considered that the facts did not justify the appointment of a Select Committee. I am afraid that there have been no further facts adduced to lead me to alter that opinion. It is a very interesting subject and a far-reaching one, and I have no doubt that quite a lot of time could be spent on it by members of a Select Committee.

I doubt whether it would be possible for a Select Committee to obtain any further information than is in the hands of the department at the present time. No matter what might be the decision of a Select Committee, members will agree I think, that it would not be possible for the Government, at this stage, to embark on a building programme of that kind. That would not be possible until the war is ended. Our difficulties are so great, as members are aware, that many of the things we would have liked to have brought into operation have been prohibited as a result of the conditions prevailing at the present time. Notwithstanding the arguments put forward by Sir Hal Colebatch for the Select Committee I must reiterate my opinion that it is not justified at the present time.

Amendment put and passed.

On motion by Hon. J. A. Dimmitt, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY: In view of the position in which I find myself, I move—

That the House at its rising adjourn till 2.15 p.m., on Thursday, the 18th March.

Hon. E. H. H. HALL: I crave, Sir, your indulgence for a couple of minutes. It was

my intention to seek the consent of the House, at the conclusion of the amendment moved by Sir Hal, to make a further slight amendment to the motion.

The PRESIDENT: We have passed that matter. The question is that the House adjourn till 2.15 p.m. on Thursday next.

Question put and passed.

House adjourned at 5.15 p.m

Legislative Assembly,

Tuesday, 16th March, 1943.

	PAGE
Questions: Apple and Pear Acquisition Board, as to losses	2873
Taxi-cabs, as to numbers licensed etc.	2873
Rabbits, as to sale as pets	2873
Bills: Commonwealth Powers, 3R.	2873
Companies, Com., recom., report	2903
Adjournment, Special	2906

The SPEAKER took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (3).

APPLE AND PEAR ACQUISITION BOARD.

As to Losses.

Mr. SAMPSON asked the Minister for Agriculture: 1, Is he able to advise what loss for the different years since the inauguration of the Apple and Pear Acquisition Board acquisition scheme has the Commonwealth Government had to meet so far as Western Australia is concerned? 2, What number of cases of both apples and pears was concerned for the different years?

The MINISTER FOR THE NORTH-WEST (for the Minister for Agriculture) replied: 1, Information regarding the operations of the Apple and Pear Marketing Board in each individual State is not available. 2, Answered by No. 1. (It is anticipated, however, that when the three new dehydrators commence operations in this State, there will be very little fruit not marketed.)

TAXI-CABS.

As to Numbers Licensed, Etc.

Mr. SEWARD (without notice) asked the Minister representing the Minister for Police: 1, On the 30th June, 1939, 1940, 1941 and 1942 respectively, what number of taxis were licensed in the metropolitan area? 2, Of the number licensed at those dates how many were registered by companies, and how many by individual owners?

The MINISTER FOR THE NORTH-WEST (for the Minister for Police) replied: 1, 30th June, 1939, 109 taxis licensed; 30th June, 1940, 109; 30th June, 1941, 108; 30th June, 1942, 133. 2, 30th June, 1939, 32 companies, 77 individual; 30th June, 1940, 33 companies, 76 individual; 30th June, 1941, 40 companies, 68 individual; 30th June, 1942, 41 companies, 92 individual.

RABBITS.

As to Sale as Pets.

Mr. SEWARD (without notice) asked the Minister for Agriculture: 1, Is he aware that rabbits are being sold as pets in the city? 2, Does he not think we have a sufficiency of these pests in the State at present? 3, In view of the fact that the State and land owners are spending thousands of pounds annually on the destruction of the pest, will he take the measures necessary to stop the sale of live rabbits, of any breed, entirely? 4, If not, why not?

The MINISTER FOR THE NORTH-WEST (for the Minister for Agriculture) replied: 1, Yes, under permit. 2, The rabbits in question are Angoras, Chinchillas, Beverons, and other fur-breeding breeds. These must be kept in hutches, and experience has shown that when they are loose they invariably die. 3 and 4, Owing to the demand for the fur of these rabbits, the Commonwealth Government permits the importation into Australia of these breeds, which, however, must be kept in proper hutches or in wire-netted enclosures. In these circumstances, as the breeding of these rabbits is regarded as a large industry in other countries, it is not intended to prevent their introduction. There is little possibility of these breeds becoming a pest.

BILL—COMMONWEALTH POWERS.

Third Reading.

Debate resumed from the 11th March.

MR DONEY (Williams-Narrogin) [2.20]: Despite the arguments submitted by the Premier and his colleague, the Minister for Labour, and despite the weight of propaganda by the Commonwealth Government, I can find no ground whatever for any tolerance on the part of Parliament towards the