years. There is nothing to compel them to go regularly. The only compulsion is that before re-entering the industry they must be examined, but they have the privilege of being examined at any time they wish.

Mr. Mann: Would it not be advisable to make it compulsory?

Mr. LEAHY: Yes, because people would know clearly where they stood. That is something I am after. It is not fair to let them go on in a lackadaisical manner. A fellow thinks he is all right and gets a shock when he goes to a doctor and is told he is not. Miners' complaint is a progressive disease; it cannot be arrested. I have known a man to be out of the industry for 25 years and then develop the trouble. It has been there all the time, but gets worse as times goes on. Regarding the future of goldmining, I hope we will revert to the system of Government prospecting. I believe we achieved great results under that prospecting scheme in adverse circumstances. We had to employ men who knew nothing about gold; I think I am right in saying we did it simply to relieve distress. We put on poor, unfortunate fellows who did not know gold from a haystack.

The Minister for Mines: We made a lot of good miners out of them.

Mr. LEAHY: Not too many! Most of them did their mining in the camp. Some did very well, and we got quite a lot of gold; but I suggest to the Minister that there should be a new system, something that is a little better than what we had originally. We must break new ground. Gold means everything to this State. Do not let anybody persuade us to anything different. This State would not be here if it were not for the goldmining industry. Other talk is a foolish waste of breath. We must foster the industry, and I suggest that would be possible by developing many small shows. The value of some of these shows is not very high. Men who ran them were poor and found that the use of the old windlass and hammer and tap was not sufficient to enable them to make a profit. They would work for years and get 6 to 9 dwt. dirt. If we have an honest desire to foster this industry, the Government should be prepared to spend a few pounds on it and some of the money should be expended in this way. The records of the department should be searched and the values of these small shows ascertained. The Government should then select parties of four men to take over these little shows. The men should be provided with a little compressor that would work one jack hammer and haul their dirt. Men who know their job should be employed; and I suppose the whole outfit would cost about £2,000. This would give them an incentive to chase values in those places. At the end of the year, they could be given 75 per cent. of the value of what they had secured. The only supervision needed would be an inspector to go round occasionally. If we got the right type of men for this work, it would be a great success. I hope that the points I have mentioned will be considered by the Minister, particularly those regarding the health of the men and the future of the industry generally.

Vote put and passed.

Progress reported.

House adjourned at 10.41 p.m.

Legislative Council.

Wednesday, 6th December, 1944.

COUNCIL, WEDNESDAY, 6TH DECEMBER.

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

QUESTION—SHIPBUILDING.

As to State Construction for Commonwealth.

Hon. Sir HAL COLEBATCH asked the Chief Secretary:

(i) What is the tonnage of the boats being built by the State Government for the Commonwealth Government at Fremantle?

(ii) What is their guaranteed speed?

(iii) What is their cost?

(iv) Are they being built for a fixed contract price?

(v) If not, what is the arrangement regarding price?

The CHIEF SECRETARY replied:

(i) 300 tons.

(ii) The speed depends upon the engines available to, and supplied by, the Commonwealth Government.

(iii) Approximately £44,000.

(iv) No.

(v) Price is actual production cost.

MOTION—STANDING ORDERS SUSPENSION.

On motion by the Chief Secretary, resolved:

That during the remainder of the session so much of the Standing Orders be suspended as is necessary to enable Bills to be put through all stages in one sitting, and all messages from the Legislative Assembly to be taken into consideration forthwith; and that Standing Order No. 62 (limit of time for commencing new business) be suspended during the same period.

MOTION—ADDITIONAL SITTING DAY.

On motion by the Chief Secretary, resolved:

That for the remainder of the session, the House, unless otherwise ordered, shall meet for the despatch of business on Fridays at 4.30 p.m., in addition to the ordinary sitting days.

BILL—CONSTITUTION ACTS AMENDMENT ACT, 1899, AMENDMENT.

Introduced by Hon. C. F. Baxter and read a first time.

MOTION—EGGS.

As to Handling Delays and Payments.

HON. C. F. BAXTER (East) [4.37]: I move—

That, in the opinion of this House, the Government should take immediate steps to have inquiries made regarding the handling of eggs by the authorities concerned, and also regarding the cause of the long delays in making payments for deliveries of eggs, and that the results of such inquiries should be published.

The motion deals with a very important industry which, with care and attention and efforts made under the Agricultural Products Act, has been brought to a commendable state of efficiency with the result that even before the war consumption had reached a high level. Like many others, I want to preserve the goodwill of that industry, but I am afraid that unless something drastic is done immediately it will take many years to recover the position that formerly existed. The many public complaints from producers, tradespeople and consumers indicate that the present system of control is not operating as it should reasonably be expected to. In the first place, the complaints indicate that the consumers are not getting the protection they are entitled to under the Agricultural Products Act, legislation which raised the quality of eggs and increased consumption. The main cause of the trouble is the inefficient candling and grading of eggs. As the result of such inefficiency, producers are not receiving equitable returns or the prompt payments which are so necessary and to which they are accustomed.

Inquiry has convinced me that there is justification for the complaints. They are due to the inefficient administration of the present socialistic bureaucratic control of an industry which has shown, as in other instances, how unfortunate are the industries that are so controlled. Prior to the inauguration of the present unsatisfactory system there was a voluntarily controlled industry distribution scheme, which was organised without statutory authority, embracing merchants and producers and was financed by the collection at the commencement of one-eighth of a penny per dozen, which charge was increased later to one half-penny per dozen. This scheme was voluntary and was applied only in the metropolitan area, but unfortunately only two-thirds of the suppliers honoured the scheme, the remaining one-third refusing to participate despite the fact that while they did not contribute anything towards the cost they benefited from the operations of the undertaking.

The present scheme covers all the producers and is Commonwealth-wide in its

application. At the inception the Commonwealth Government refused to provide any funds whatever towards the cost. The Minister for Commerce and Agriculture, Mr. Scully, was definite in saying, "The industry will have to provide whatever costs are necessary." This is the usual way of the Commonwealth with regard to matters affecting producers, but not when other sections of the community are concerned. The Commonwealth has taken full control and has built up an expensive and inefficient organisation; the producer has no authority whatever but has to find the money to establish this bureaucratic control. Either the consumer has to pay more for supplies or the producers are taxed to cover the cost. Notwithstanding the satisfactory working of the voluntary scheme, the present arrangement was forced on the producers and consumers. This is a matter closely connected with the recent Referendum and indicates plainly why the Commonwealth Government desired the power to control organised marketing.

In common with many others, I warned the people of this State that the power to control organised marketing, which was sought by the Commonwealth Government, was highly dangerous. While Western Australia and other States were prepared to give the Commonwealth Government control over the export marketing of all production, I pointed out that the people would be very foolish to agree to handing over the control of organised marketing, because that would mean the control of the internal market. The Federal Attorney General (Dr. Evatt) and others ridiculed the idea and said that was not the intention of the Commonwealth Government. What was the result? Within a few weeks of the holding of the Referendum the Commonwealth Government issued a regulation the effect of which was to control the organised marketing of eggs. The central control is established in the Eastern States and Mr. Souter, an accountant, has been appointed controller while deputies have been appointed for each of the States. The deputy controllers are appointed to carry out instructions from the controller, and consequently our local products are controlled and directed from the East. Those selected as State deputies were persons occupying positions in connection with which all their time was needed, and some had no knowledge whatever of the industry, in consequence of which they should not have had this responsibility thrust upon them. A little while ago I mentioned the question of costs. Members may be interested to know that the costs in connection with the present system of handling are as follows:—

Control	1d. per dozen
Candling and other services on dehydrated eggs	1d. per dozen
Selling charges, local agents and local sales	¾d. per dozen

These charges amount to 2¾d. per dozen.

Hon. W. J. Mann: Is it necessary to candle eggs that are dehydrated?

Hon. C. F. BAXTER: No, it is not.

Hon. W. J. Mann: But still that charge is made!

Hon. C. F. BAXTER: I will deal with that point later on. With a handling charge of 2¾d. per dozen, I would certainly like to get back into the egg export trade. At such a return the business would indeed be lucrative. I can say, without fear of a successful contradiction, that the handling of eggs needs experienced personal control, and to be successful that control must be diligent and constant. The term "candling" comes down from the time when candles were used in the process. Nowadays, of course, a strong electric light is availed of. That is where the difficulty comes in. In the efficient candling of eggs, it will be remembered that an adequate system was introduced by the Agricultural Department through the instrumentality of the departmental expert, Mr. Shaw, and it proved very successful.

Night classes were held for the training of girls in egg-candling and grading. When efficient, the girls received certificates. No one controlling a floor would employ a girl who did not hold a certificate, with the result that only efficient girls were employed. Even then a check was made. At certain times unknown to the girls, the person in charge would take a case of eggs and test them. If any deviation at all from the set standards was discovered there would be trouble. In addition, the Government inspector made inspections at any time he chose. The result was that over a period of 12 or 14 years egg-handling in this State had reached a very high standard both as regards candling and quality.

However, that condition does not apply today. The system is only spasmodic. It seems apparent to me that the spasmodic control under the present scheme has resulted in the complaints regarding the bad quality of eggs delivered to consumers, and I assure the House that such complaints are numerous. One bad egg will put a person off eating eggs for weeks. My information is that cases are common where eggs have not only not been candled but not even examined, and eggs of bad quality should not be met with during the spring season; it is over the next few months that trouble occurs.

Instances have been known where the candlers merely lifted the eggs from the producers' cases and placed them, stamped, in cases for distribution. This is a contravention of the Agricultural Products Act, and shows complete lack of control. Moreover, producers are charged for work which has not been carried out. Although a charge is being made for grading, very little grading is in fact being done. Pullets' eggs are sent out among eggs classed as hens'. From now on the risk will be very great, and the most careful examination will be needed; otherwise, where will the trade disappear to? In this connection I may mention having myself seen hens' eggs mixed with pullets' eggs. That is not giving value to the producer. Consumers who find themselves getting poor-quality eggs with not the value in size will not purchase the same number of eggs. Rather will they keep off eggs as much as they possibly can. We want to keep this industry and all other industries going. When the war finishes where will this industry be? It will be completely disorganised unless something is done to remedy the present state of affairs.

The American Navy entered into a contract to purchase a very large number of eggs over a given period. Before half the period had elapsed, they had taken the full quantity of eggs. They then approached the controller for yet more eggs, but were refused. They made a further application, and were then informed that the eggs could not be delivered because there was not the staff to candle them. However, these real Americans were not going to be beaten by that. They replied, "All right we will send down Navy lads and do the job." Naturally the lads had first to find out what they had to do. One was heard to remark, "I don't think this is very difficult; I can take an egg out of one case and put it in another case and put the rubber stamp on it as easily as the girls are doing it." That shows conclusively that neither candling nor grading has been done, and that this neglect has been exhibited to American purchasers of eggs. Mr. Mann voiced objection to dehydrated eggs. Those eggs are taken from the metropolitan supplies, and are the best eggs to be obtained in the State. They are simply broken into a vessel, not candled, as Mr. Mann interjected; and then they are taken away to be dehydrated. If there is anything wrong with them, they are rejected. However, from what I have seen and heard, it appears that the rejects are not taken toll of. The most important feature is that while dehydrated eggs are not candled, the charge of 1d. per dozen is made against the producer for this work, which is not done. The position demands a drastic change in present methods as regards dirty eggs, undersized eggs, and eggs of poor quality. Otherwise the present consumption will shrink to a low consumption when the war ends.

Consumers are fast losing confidence in the quality and value of these eggs. As a proof of the bad state of affairs under the scheme in the matter of payment for eggs, a public meeting of poultry farmers, sponsored by the Primary Producers' Association and the Commercial Poultry Farmers' Union is to be held in the Perth Town Hall to consider the matter of delays in payment for eggs. The system obtaining for many years in this respect is that the supplier brings his eggs, and that there are occasions when the supplier is short of money and desirous of making purchases, and therefore says, "Can you pay me for my eggs today?" It is quite a common thing to pay the producer there and then in cash. The quality of the eggs is known, otherwise the operators go through the cases and post a cheque next day. The system of payment, however, was by the week. Members know perfectly well that large numbers of poultrymen are not in such a financial position as to be able to afford to wait weeks for the money for their eggs. They need payment within a reasonable time. Not only have they to

feed laying fowls, but large numbers of young fowls are constantly coming on for future laying stock. The poultrymen and their families have to live, and sometimes a period of weeks elapses before the cheque for the eggs arrives.

What is wrong with the department that prevents it from doing better than that? Why pay only once a month? That is not fair to the producer, who ought to be paid every week. There is a big staff in the office, and no excuse exists for the present system. This system of monthly payments comes from the Eastern States, but sometimes the delay in payment goes a long way over the month. The Minister for Agriculture takes a great interest in these matters, and I would like him to examine this particular phase and see that payment is made weekly or at least once a fortnight. It is a bad thing to let payments extend over a long period. It is up to the department to encourage egg producers in their work and to facilitate their operations. I was informed this morning that the big public meeting I have mentioned is called for tomorrow night. It has been called by two organisations containing practically all the egg-producers of the State; namely the Primary Producers' Association and the Commercial Poultry Farmers' Union. When a meeting like that is called, we have proof that there is something radically wrong. I may add that my information comes from a thoroughly reliable source. Furthermore I was informed this morning that a petition is in circulation altogether apart from that public meeting. The petition is being signed with a view to its presentation to the Minister for Agriculture in connecton with the matter I am now discussing. Every section of the industry, as well as the consumers, is up in arms about this question.

In Queensland, New South Wales, Victoria and South Australia there are what are called producer-controlled boards. These have been created by the respective Governments of those States. The boards are functioning now, and the sum of ¾d. per dozen, representing the selling charges, is credited to those bodies for the building up of funds for organisation purposes with a view to meeting the position that will arise after the war when prices fall owing to the loss of so many visitors now in this country. In those States there are these funds with which to carry on, but there is no such fund here. Why should we not have a voluntary board established under the same system as obtains in the four States I have mentioned? I am informed that the Minister for Agriculture will not agree to that. The money in the other four States has been put up by the producers for the establishment of this fund, and I claim that there must be something good as well as necessary in that scheme. It is very hard to understand, seeing that the business is being conducted so satisfactorily in the other States under the existing system, why the Minister for Agriculture should object to its being applied in Western Australia.

The industry is in an unsatisfactory condition. I hope the result of my motion will be that the State Government will cause inquiries to be made with a view to ascertaining whether there is not some way of influencing the Commonwealth Government to allow the producers in this State to handle their own eggs. We do not want the Commonwealth Government to intervene. We fought against that sort of thing during the Referendum campaign, and we must go on fighting. I know the deputy controller is merely carrying out the directions of the Controller-in-chief. The handling of eggs in the Eastern States has not been so wonderful that the officials there can direct operations here, in any sense of the word. This State should fight for the right to handle its own produce and not allow any incursion by the Commonwealth Government, as is happening in this instance. I feel sure that after it has made inquiries the State Government will bring about some alteration in the present system operating here. It should take the matter in hand at once and remedy the various defects that now exist in the system appertaining to the handling of eggs.

Every egg should be candled and graded, more especially from this time of the year onwards. Grading is very important because it is that which gives value to the egg. More important still is that the eggs should be good, and in that respect candling is very necessary. The inclusion of bad eggs in any consignment will undoubtedly injure the industry. The authorities should see that nothing but good eggs are put before consumers, and that payment is

made more promptly to producers than has been the case in the past so that they may have money with which to carry on the industry and for the purchase of those requisites which are essential for their work. It is quite wrong that producers should have to wait so long for their money. I hope the result of this motion will be that the industry will be placed on a better footing than it is on today.

On motion by the Chief Secretary, debate adjourned.

BILL—METROPOLITAN MILK ACT AMENDMENT.

Third Reading.

THE HONORARY MINISTER [5.7]: I move—

That the Bill be now read a third time.

HON. H. TUCKEY (South-West): I was pleased to hear the Honorary Minister's remarks when he was replying to the second reading speeches. He said he had always been interested in the milk industry and he made certain remarks about metropolitan dairies. I gather he was of opinion that there was room for further amendments to the Act and that we might expect something to be done in that direction next year. The House is indebted to Dr. Hislop for the very informative speech he delivered yesterday. From the known facts it would appear that this is rather an urgent matter, and that for the sake of the health of the community every possible step should be taken to put the industry into proper order. We may have an opportunity next session to deal further with this legislation.

Question put and passed.

Bill read a third time and *passed*.

BILL—LOAN, £975,000.

Read a third time and *passed*.

BILL—LOTTERIES (CONTROL) ACT AMENDMENT (No. 2).

Second Reading.

THE CHIEF SECRETARY [5.10] in moving the second reading said: Following upon the rejection of the Bill to make permanent the Lotteries (Control) Act it has been necessary to introduce another Bill for the continuance of the Lotteries Commission for a further period. Usually when I have introduced a continuance measure to deal with this question it has been for one year only. On this occasion, and particularly in view of the suggestion which emanated from more than one member of this Chamber the continuance Bill which I am now submitting is to cover a period of three years. I trust the House will agree to the proposal. I think it was Mr. Bolton who first suggested that period, and stated that one argument in favour of the three years was that it would give each Parliament an opportunity to review the operations of the Lotteries Commission at least once during that term. There is no necessity for a continuance Bill to give members of this Chamber or another place an opportunity to review the operations of the Commission, because we periodically lay on the Table of the House the results of the various lotteries conducted by the Commission together with the Auditor General's report, which indicates that the Auditor General himself is keeping a very close eye on its operations, and that he sees that there is included in the reports of the various lotteries that are held the fullest possible information for the use of members.

It is quite competent for members at any time to raise the question by means of a motion in this House if they feel that there is anything to which they should take exception or if they desire to deal with the Lotteries Commission. I feel sure the House does not wish me to go over the same ground I went over when introducing the previous Bill, on which occasion I gave the House full particulars of the operations of the Commission during the last 12 months and a resume of its operations during the whole time it has been established. I need only mention one thing on this occasion, namely, that since the Lotteries Commission has been established it has been responsible for distributing £943,638. That indicates the value the Commission has been to Western Australia. I also feel sure that members will agree that there is need to continue the operations of the Commission, and I trust they will pass this Bill, which provides for the extension of the life of that body for three years, namely, to the end of 1947. I move—

That the Bill be now read a second time

HON. H. TUCKEY (South-West): I support the second reading. I did not like making this Act permanent because too

many people today are beginning to look to the lotteries for finance. That was never intended by Parliament. Steps should be taken to provide the necessary money, if it is not forthcoming, for hospital accommodation, by means of taxation. The Lotteries Commission has assisted country hospitals considerably but there is still a serious lack of accommodation and equipment. These matters should not be allowed to depend on lotteries, nor should we have to boost the sale of lottery tickets in order to finance them. This is by no means a party question, and I support the suggestion that has already been made that a full inquiry be held. As far as I know, no provision has been made in regard to post-war planning for the building of hospitals. I consider it is important to look ahead and be prepared to carry out these works after the war. The Lotteries Commission is doing good work in building the Perth Hospital but what about the accommodation required in country centres? During debates in this House many instances have been given of where money has been wasted and where there has been a lack of accommodation. But there seems to be no way of meeting those complaints and there is a fair amount of criticism on the ground that those statements are made for the sake of party politics.

It is a pity that members of Parliament cannot make such statements without being taken the wrong way. Surely we all know something about these matters. When we get around the country we learn of the requirements of the different districts. I can point out the circumstances of one hospital with which I have had something to do for a number of years. I refer to the Murray District Hospital. That was an old private residence and has been used as a hospital for 15 or 20 years. It can accommodate comfortably 10 to 12 patients, but for weeks past there have been 18 patients and on some occasions as many as 24. So it is accommodating about twice the number that the building is capable of dealing with. A lot of money has been wasted on that building because the local committee has been obliged to endeavour to cope with all these demands, and eventually that money will be wasted because the building cannot be used in any way in conjunction with a new hospital. We have in that hospital three midwifery beds. For January nine midwifery cases are booked and 14 in February. It is a terrible state of affairs when there is accommodation for three to find ways and means of providing for 14. I do not know whether anyone can tell me how to overcome that problem, but it seems to me that there is a good case for asking that a Government hospital be built in that centre to cope with the growing demands of such cases.

At some hospitals maternity wings have been added, but we have not got a hospital to add to. Any attempt to build a maternity wing on to the present structure would be sheer nonsense and waste of money. Dr. Hislop quoted a number of cases where there is serious difficulty. He knows of them because he gets about the country. He travels practically all over the State and is helpful in giving his advice and assistance. Any remarks or suggestions that he has made have been given for the good of the health of the community as a whole. I hope that the Government will appoint a Royal Commission or take such steps as are necessary in order to see how these things can be straightened out. It is a big job and what I have said does not necessarily mean that the Government is at fault. We know that during the war very little can be done, but we do realise that something has to be done.

We do not want people to say that we do not know what we are talking about, nor do we want them to get the idea that the Lotteries Commission is a taxing machine. The people should not say that we are trying to sell more lottery tickets in order to build hospitals in the country and equip them. The whole question should be approached from a business angle. The people should realise their responsibility to the State, and some proper method should be adopted to provide the necessary money to carry on this work. Another matter that is vital is the question of the payment of accounts. We know quite well that some hospitals have to write off thousands of pounds because the patients say they are not in a position to pay. Many people have the idea that because of the hospital tax they have no right to pay their accounts. The result is that people who should pay do not pay, and it is left to people who bear very heavy taxation to bear the cost of the hospital accommodation. My idea is that there should be a sufficient

charge by way of taxation to meet these matters so that when a man has to go to hospital the institution does not have to depend on his paying the account to meet the cost.

Another question that has been referred to is that of doctors attending committee meetings. Many doctors attend hospital committee meetings and their assistance and advice is most helpful. But at times, because they have no vote and are just there to answer questions when asked, they refuse to attend. I cannot see anything wrong in a doctor having a vote if he is expected to attend the meetings. If he knows so much about the matter being dealt with, surely he should have the right to exercise a vote when one is taken.

The PRESIDENT: Order! I am loath to interrupt the hon. member, but I think he is wandering somewhat from the question of lotteries.

Hon. H. TUCKEY: I am afraid I am getting a little away from the subject, but a good deal of latitude has been allowed in discussing the lotteries Bill.

The Chief Secretary: This is a new Bill.

Hon. H. TUCKEY: Yes. There are many aspects to be considered and I hope that the Government will take steps, before next session, to see what can be done to overcome the difficulties of hospital finance which is a complex problem that needs tackling. I do not think that the commission now being paid is fair. It is too high. Possibly it is paid in order to encourage sales. As I said a while ago the idea of Parliament when this law was first passed was to afford an opportunity for people to buy their tickets in Western Australia rather than send their money outside, and also to overcome the menace of the crossword puzzles. I do not think it was ever intended to see how many agents we could set up in the streets and different places. A high rate of commission encourages people to look for business and we should not do that.

I supported this legislation when it was first introduced because I agreed with the arguments advanced, but I do not think we should encourage the sale of lottery tickets right and left in order to collect revenue. The Chief Secretary said that something like £1,000,000 had been distributed. That has nothing to do with this matter. If we want £1,000,000 for necessities for the public good we should find ways and means of getting it other than by selling lottery tickets. I support the second reading because I feel, as the Chief Secretary has already said, that a three-year term will provide an opportunity for each Parliament to discuss or review the doings of the Lotteries Commission if it so desires.

HON. L. B. BOLTON (Metropolitan): I do not intend to delay the House, but I do extend congratulations to the Government upon having introduced a continuation Bill that should meet with the approval of this Chamber.

Hon. G. W. Miles: You did not know you had so much influence.

Hon. L. B. BOLTON: I am afraid the hon. member does not realise the influence I have. I hope I have influenced him to support the measure. As the conduct of the lotteries is something that is continually before the public, not only in the metropolitan area, but throughout the State, any information that can be reasonably given through this House, or the other Chamber, should be made available. Seeing that we have the result of each lottery placed on the Table of the House, together with the Auditor General's report, and as each successive Parliament has the right of reviewing the Act, the public will be more satisfied. I hope that the Bill will go through without much opposition. I have pleasure in supporting the second reading.

HON. SIR HAL COLEBATCH (Metropolitan): I realise that it would be futile to oppose the second reading of this Bill. I do not intend to repeat the arguments that I have previously raised against this ridiculously wasteful and deplorably demoralising method of raising money, but I do think that this House should reserve to itself the opportunity of reviewing the position at the earliest possible moment after the war. I recognise that today people have their pockets full of money, and such restrictions are imposed on spending that they attach little value to it. As a result this sort of thing is bound to go on. But I do hope that in a couple of years' time the situation will have returned to normal. For that reason when the Bill is in Committee I shall move an amendment to strike out the words "forty-seven" and insert the words "forty-six" so as to give the Bill a couple

of years to run. I do not think there is much chance of things improving in less than two years. My proposed amendment will reserve to this House the opportunity of reviewing the position as soon as possible after the war is over.

HON. E. H. H. HALL (Central): Like the last speaker, I do not intend to enter very strong opposition to the three-year period mentioned in the Bill. It was a most unfortunate slip on the part of Mr. Bolton to put into the mind of the Government that instead of trying to make this legislation permanent it should be satisfied with a three-year period, because it has been only too eager to seize on the suggestion. By way of interjection this afternoon it has been given out that the hon. member had no idea that he carried so much weight with the Government. This Government is prepared to adopt any suggestion that will make its way easy. The Government should face up to its responsibilities. Had I remembered that this discussion was coming on this afternoon I would have brought forward some matters that would have given members an opportunity of learning what is done in Tasmania, which State is also governed by a Labour Government. I do not wish to apply for an adjournment of the debate and so am not able to give that information. When this measure was originally brought down it was introduced principally to ensure that the public hospitals—that is the committee-run hospitals in the country districts—should be able to give service, and that the patients would not suffer as they had in the past owing to lack of finance.

Had the Government desired to live up to the best traditions of the Labour Party, it had an opportunity to emulate the example of the Government in Tasmania. There a Labour Premier, who has now gone to his long rest, has left behind a monument in the shape of a free medical service. Tasmania is what is known as one of the claimant States of the Commonwealth. It has not the huge, sparsely-populated territory to administer that we have, but still it is a claimant State, and yet for some years the people there have enjoyed a free medical service established by the then Labour Premier, Mr. Ogilvie. That was a wonderful achievement. Had the Labour Government here had the courage to follow that example, we could have had a free medical service in this State. Of course this would have necessitated the people's paying for it.

A question that is being continually asked is: What action has been taken to ensure that our charities are properly financed? There is only one way in which this can be done, and that is by ensuring that those who can pay do pay for those who are not so blest. We must do our duty to the people of the State who are less fortunately circumstanced. We have to do our duty to the people who are compelled to enter hospitals or charitable institutions. Take that splendid institution in the metropolitan area, which also caters for people from the country; I refer to the Home of Peace. What a splendid place that is for people who are incurable! But by no stretch of imagination can we regard it as splendid when, in order to enable the inmates to be properly looked after, we run lotteries to provide the funds.

We have been told times out of number how absolutely essential it is that money be forthcoming to enable us to win the war and get those of our men who are prisoners in the hands of a heathen race back again to this glorious country of Australia. In order to do that, we must have money to fight the war. I am aware that the raising of such funds is not a function of the State Government, but I do not believe for a moment that the executive charged with the administration of the affairs in one of the States could not do something to assist the Government that is charged with the responsibility of raising the requisite money. Here are means by which this State could assist the Commonwealth to raise the money so essential for that purpose. Many times we have been told in this Chamber that people who go into the agricultural areas to raise crops are indulging in a gamble. I agree with that view.

When people take a ticket in a lottery, they also are engaging in a gamble. The man who plants a crop and shows a profit has to render a due to Caesar in the form of the Commissioner of Taxation who, though the farmer has gambled against the chances of the weather and the pests, very promptly sees that he pays his quota to the revenue of the country. Why in the name of all that is reasonable, therefore, should

not those people who gamble in a half-crown lottery and the few who happen to win the prizes do something to help the country? In my opinion the chief prize winners should be compelled to take a percentage of the prize money in war bonds. If the State Government is sincere in seconding the efforts made by the Commonwealth to raise money for carrying on the war, which money it must have, this legislation should provide for the principal prizewinners in the lotteries devoting a percentage of the prize money to the purchase of war bonds.

HON. E. M. HEENAN (North-East): I wish to offer a few words in support of the Bill which, I believe, will be carried in its present form, because a period of three years represents a reasonable compromise between the original proposal of the Government and the one-year period that has prevailed heretofore. I think all members will agree that, during the next three years, the affairs of the State will be in a condition of unrest, and that it would be optimistic to hope that we shall be at the end of the war much inside of that period. Year after year we have this legislation brought up for continuance. Arguments are adduced for and against the lotteries, and publicity is given in the Press that to say the least is not very helpful.

Hon. J. Cornell: The hon. member is getting quite respectable.

Hon. E. M. HEENAN: All of us regret the necessity for having to raise money by means of this sort, but we have to take a realistic view and so far no concrete alternative has been suggested. I respect the opinion of those who oppose this method of raising money, but a number of very grave evils confront this country that need attention and, to my mind, the small modicum of gambling represented by the lotteries is not affecting the morale of our people in the way that some other abuses prevailing at the moment are doing. The term of three years proposed in the Bill is reasonable, and I for one would be glad not to have debates of this nature for that period at least.

HON. J. CORNELL (South): In a retrospect of the 12 or 13 years that the lotteries have been in operation, I see no reason and have heard no argument to convince me that the practice of requiring a continuance Bill to be presented each year should not be adhered to. Mr. Heenan seemed to deplore that the matter should be debated annually. I, on the other hand, consider that an annual debate on the continuance of this legislation is conducive to good. It gives people who are opposed to the principle of lotteries an opportunity to express their opinions, and this in itself must in the long run be to the benefit of the public.

There is an old saying, "Preserve us from our friends." I think Mr. Bolton will go down in history as the man who pointed a way out to the Government and indicated the very road it should take in order to get this legislation made permanent. The hon. member may have acted out of goodness of heart. If we are not going to have an annual review of the lotteries, we should restrict the period of their continuance to two years. Parliaments come and Parliaments go, and if there is anything in the argument that the lotteries should be reviewed, members must see merit in the proposal of Sir Hal Colebatch that the period should be two years. If the shorter period were adopted, this Parliament would not have expired before the duration of the Act terminates; an opportunity would be given to say whether this legislation should be continued, and the public would be afforded an opportunity to express an opinion on the question of its continuance.

Hon. L. B. Bolton: I prefer to leave it to the next Parliament.

Hon. J. CORNELL: The hon. member is again well-intentioned, but is as far from the mark as he was when he suggested a continuance for three years. Under his proposal, the Parliament that reviews the legislation will be a new Parliament. I maintain that the Parliament responsible for the continuance of the Act should be the one to review it before a new Parliament is elected. That is the line of reasoning I take.

The Chief Secretary: We are doing that now.

Hon. J. CORNELL: We should be doing it every year. If the proposal in the Bill is accepted, the present Parliament and the present Government will be prevented from again reviewing the lotteries during the lifetime of the Government and the Parliament. Under Sir Hal Colebatch's proposal, the present Government and the present Parliament would have an opportunity to review the Act

and on that occasion the term could be made three years.

Hon. G. Fraser: We have had enough of it.

Hon. J. CORNELL: It is a wonderfully soft featherbed that Mr. Bolton has provided for the Government to fall on. He has pointed a way out to the Government and this, I believe, will prove to be the first milestone on the road to making this legislation permanent.

Hon. L. B. Bolton: Sir Hal Colebatch suggested that the term should be two years.

Hon. J. CORNELL: I wish to deal with another phase. For many years after I entered Parliament—and I think you, Mr. President, will agree with me, as well as Sir Hal Colebatch—temporary legislation was invariably extended for one year and one year only. That is the intention of our Standing Orders. Now we have extended legislation up to five years; my contention is that when legislation is extended for such a period it is no longer temporary. My interpretation of the Standing Orders is that temporary legislation should be reviewed from one Parliament to another, and not after a period of five years. Later on, it may be ten years. Again let me congratulate Mr. Bolton on pulling the chestnuts out of the fire for the Government.

HON. J. G. HISLOP (Metropolitan): I will be very brief. All I wish to point out is that I intend to vote for the shortest time possible for the extension of this legislation——

Members: Hear, hear!

Hon. J. G. HISLOP: —mainly on the ground, as I previously said, that I consider the method of distributing the funds of the Commission is wrong. If we extend this legislation for three years, obviously it will be three years before any move can be made to put the distribution of the funds on a proper basis. I do not intend to waste the time of the House. I have previously made quite clear what I think should be done in the way of distribution of the funds.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 21:

Hon. Sir HAL COLEBATCH: I move an amendment—

> That in line 3 the words "forty-seven" be struck out.

If the Committee agrees to the amendment I shall vote for the shortest extension possible. If a majority of the Committee thinks that the period should be extended for two years in the hope that by that time the war will be over and we shall be able to view matters in a different spirit, I shall have no objection to that term.

The CHIEF SECRETARY: I hope I am not going to start another full-dress debate, but I must oppose the amendment. We have fixed the period of three years as being a period which will at least give the officers of the Commission some security of tenure and allow the Commission perhaps to operate more successfully in certain directions. I believe the extension proposed by the Bill will result in increased money being available for charities and hospitals, because the Commission will be able to commit itself for a longer period than one year in respect of important contracts involving fairly large sums of money. The argument put forward that the two-year period would enable Parliament again to review this legislation does not cut much ice with me.

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

Ayes	7
Noes	18
Majority against	11

AYES.

Hon. Sir Hal Colebatch	Hon. H. Seddon
Hon. J. G. Hislop	Hon. H. Tuckey
Hon. G. W. Miles	Hon. E. H. H. Hall
Hon. H. L. Roche	*(Teller.)*

NOES.

Hon. C. F. Baxter	Hon. V. Hamersley
Hon. L. B. Bolton	Hon. E. M. Heenan
Hon. C. R. Cornish	Hon. W. H. Kitson
Hon. L. Craig	Hon. A. L. Loton
Hon. J. A. Dimmitt	Hon. W. J. Mann
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Fraser	Hon. H. S. W. Parker
Hon. F. E. Gibson	Hon. F. R. Welsh
Hon. E. H. Gray	Hon. A. Thomson
	(Teller.)

Amendment thus negatived.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Assembly.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 30th November.

HON. L. B. BOLTON (Metropolitan) [5.56]: First of all, I would like to congratulate the Minister for Works on his thoughtfulness in having his second-reading speech printed and made available to the members of this Chamber. In doing so, the Minister said that it would give members an opportunity to study the Bill and understand it. I hope every member has studied it; so far as understanding it is concerned, it is very difficult for me to appreciate why the Minister should introduce such contentious legislation so late in the session. I think it was Mr. Seddon who, speaking on another measure before this Chamber, suggested that the Government had abandoned the undertaking given early in the present session that no contentious legislation would be introduced during the war period. That the Government certainly has introduced contentious legislation is reflected in the present suggested amendments to the Workers' Compensation Act. I think members will agree with me that of all contentious legislation, from the employers' angle, the most contentious is industrial legislation. It certainly makes those of us who stop to think and reason thankful that we still have the Legislative Council as a safeguard against one-sided industrial legislation.

At times one wonders how the Minister for Works squares his conscience with his office of Minister for Industrial Development; because on the one hand he attempts to foster our industries and to create others—and I give him every credit for doing all in his power not only to create industries, but also to maintain our existing industries—while on the other hand he puts up proposals that stifle all attempts at development and place this State's limited secondary industries outside the bounds of competition with other States. If I may speak for a moment for the industrial employers of this State, I would say that we definitely have no desire, and never have had any desire, to take unfair advantage of injured workers. But we are just as entitled to some protection against the abuses to which some of the suggested amendments lend themselves. We must give the Minister for Industrial Development credit for sugar-coating his industrial pills in the hope that this Chamber may pass some of the amendments he suggests from time to time; but very often he obtains something that is not always to the advantage of industry.

Much criticism has been directed against the Second Schedule. I think there always will be and should be serious criticism of that schedule and the extraordinary anomalies it contains. No attempt whatever is made to correct those anomalies. It may be that the only way that could be done would be by reducing payments for minor injuries, many of which are out of all proportion and quite ridiculous. I would suggest to the Government that the sooner it takes in hand seriously the entire re-organisation of the Workers' Compensation Act, the better it will be. I think I can speak for the industrial world of this State when I say that we desire to be fair to all injured workers, but there is not much fairness in the Second Schedule for the employer. Members of this Chamber may have noticed, as I did, the comments of one of the union secretaries who wrote to the Press regarding the case of an injured worker. I agree that that case seemed a very hard one but it was probably exceptional. I have in mind the case of another worker who recently lost the top joint of a finger. He was absent from work for two or three weeks and during that time he received compensation. He returned to his employment 100 per cent. fit and with a cheque for £90. Several cases of that type have probably been brought to the notice of members of this House.

The Chief Secretary: Would not that be less payment of wages?

Hon. L. B. BOLTON: Yes, for the two or three weeks he was away. Under the suggested amendment the amount would be £90, because the amendment provides that no deduction can be made; the man would receive the full amount of £90. Other workers have lost toe joints and collected £75 and afterwards the injury has been proved to have been self-inflicted. For years it has been claimed that our Workers' Compensation Act is the most liberal in the Com-

monwealth. I certainly think it is still the most expensive. The Minister for Industrial Development claims that certain major amendments would have received attention much sooner but for war conditions. I venture the opinion that the Government has never missed an opportunity to amend industrial legislation. If these are only minor amendments, I do not know what the Minister referred to when he spoke of major amendments, because hardly a session passes without something of a very contentious nature being brought before this Chamber. The objection I mostly take is that such legislation is usually introduced at the end of the session when sufficient time cannot be given to a study of it. The Workers' Compensation Act should be thoroughly overhauled from beginning to end and the sooner the Government takes that in hand the better it will be for both workers and employers. Whether our Act is falling behind the Acts of the other States, as the Minister suggested, I will endeavour to point out during my remarks. I claim that this State still possesses a Workers' Compensation Act that should give the greatest all-round benefit to the workers. Queensland has a Labour Government and I think a Labour Government has been in office there for 20 years.

Hon. J. Cornell: Longer than that.

Hon. L. B. BOLTON: My friends in opposition would say that Queensland, in addition, is not saddled with a conservative Legislative Council, such as we are alleged to have in this State. Let us see how Queensland treats its workers. Much has been said in the past about the manner in which this Chamber blocks industrial legislation. Let us see what Queensland does. Queensland has an Act that fails to provide any medical expenses. All charges come out of the weekly compensation payable to the worker. There is no provision for medical expenses in a great Labour State like Queensland. Members will recall that this is partly compensated by the fact that weekly payments in Queensland amount to 66-2/3rds of the amount earned.

Hon. J. Cornell: What is the total amount?

Hon. L. B. BOLTON: Five pounds.

Hon. J. Cornell: I mean the total amount of compensation.

Hon. L. B. BOLTON: The total is £750, the same as here. The maximum weekly payment is £5.

Hon. L. Craig: It is 66-2/3rds or £5, whichever is the lesser. Is that not so?

Hon. L. B. BOLTON: Yes, but the maximum payment is £5 a week. But that Act definitely provides against any abuse whatever and that, unfortunately, is where our State is at a big disadvantage compared with Queensland. In Queensland also, claims for incapacity are payable immediately after an accident, as in our own State, but those, too, are charged against the weekly compensation. I suggest that the Minister compares that with the position in Tasmania in which State he said that, for obvious reasons—and I think the reasons were quite obvious to most of us—the worker was much better off than the worker in Queensland. We were told that Victoria was the most politically backward State in the Commonwealth regarding workers' compensation; but we have to remember that Victoria is certainly one of the most industrially active States in Australia, and it is probably due to that fact that its industrial costs are so much lower than those of other States, particularly Queensland and Western Australia. In introducing the Bill in another place, the Minister said that in Victoria greater preventive care was taken with regard to accidents than was the case in other States. He said that special engineers were appointed in order to assist the workers to avoid the possibility of accident.

I have visited probably as many factories in Victoria and in other States as has any other member of this Chamber; but I have never seen any effort made elsewhere greater than is made in our own factories to prevent accidents. Surely every member in this Chamber will agree that it would be a very foolish employer of labour who did not do everything in his power to prevent accidents to his workers! Often an accident to a key worker disorganises a factory for days, and so far as my knowledge goes—and it is fairly extensive—no greater care is taken in any other State in this direction than is apparent in our own State. I think it will be agreed, too, that all parties approve the principle of compensating injured workers fairly and have agreed to provide a standard of compensation which is higher than that of most

other States of the Commonwealth. But what is exercising my mind is this: Can we continue to place further barriers in the way of an expansion of our secondary industries and the much-needed industrial development generally looked for in this State?

Can we, I ask, afford to compete with industrial States like Victoria and New South Wales merely for the sake of being examples in political industrial organisation? Definitely I think not! No-one can deny that our compensation provisions already impose a greater cost than those in the States to which I have referred. Another point made by the Minister for Industrial Development, of which I cannot obtain confirmation—and I pay fairly large premiums myself—is that the State Insurance Office requires considerably lower premiums than do other insurance companies. I have looked into the matter, though not very deeply, and I find that there are many instances in which the State charges are a little lower, but that there are many other instances in which the charges of outside companies are much lower than those of the State office. So the claim on behalf of the State office was somewhat unfair.

Hon. J. Cornell: I heard they were working hand in glove.

Hon. L. B. BOLTON: I am afraid I require notice of that question. The Minister probably knows more about that, if it is so. However, I do not think there is any agreement so far as rates are concerned. I was very interested to note that the Minister said the State Insurance Office was paying the claims of tributers earning up to £500, though the Act provided for payments in respect of £400. I am wondering whether that is in order, whether the State office has the necessary legal authority to do it. Perhaps the Honorary Minister in his reply will advise us on that point. One thing I think we can rest assured about is that, if it is illegal to do that, the Auditor General will have something to say about it in his report on the State Insurance Office.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. L. B. BOLTON: Prior to the tea adjournment I had drawn the notice of members to the fact that the State Insurance Office had been paying what I think would prove to be illegal, namely, compensation on amounts of salaries well in excess of £400. I want to stress the point that it seems to be most unfair that this should be because in the event of the State office making any loss—fortunately it has made profits so far—that loss will have to be the care of the taxpayers of the State, whereas, of course, private companies would merely pass any such loss on to the insured. I have already mentioned the point that the benefits under our Act are still more liberal than those applying in the Eastern States—this notwithstanding that we are told that this is a very conservative Legislative Council. It merely serves to prove that the Council is interested in conserving the well-being of injured workers just as much as is any other legislative body elsewhere. Possibly the South Australian Act at present provides as many benefits equal, if not superior, to those provided in this State. In other parts of Australia the Governments have copied our Act and improved their position considerably since 1925.

As I have rather emphasised this point I am submitting to members, in order to prove my case, comparative schedules showing the compensation for specified injuries and also a comparison of the Workers' Compensation Acts operating in the other States. If members so desire they will be able to inspect those schedules and I am quite sure the details therein will serve to confirm the remarks I have made. The point I desire to stress most is that an examination of those schedules will convince members that our Act as it stands is in many respects illogical and ridiculous and definitely favours minor as against major injuries. We should endeavour to avoid that. The whole problem, to my mind, is where to draw the line between the minor and the major injury. I have no great objection to the suggested amendments regarding the deduction or otherwise of weekly compensation if some line of demarcation can be drawn. As an employer I think I have a reputation of being fair to my workers, particularly to those who have been injured, and I can speak for other employers as well when I say that we are most anxious that industry should be fair to the workers, but it does not seem to us fair that this amended legislation should apply to minor injuries. If the alterations can be confined in their application to major injuries I would feel inclined to support the proposal.

As it is, I am afraid the amending legislation will leave the matter open to serious abuse.

Again I want to be fair to the workers and say that today there does not appear to be the same tendency to exploitation on the part of workers and, if Dr. Hislop will pardon my saying so, on the part of the medical profession as well. Some years ago we had cause to complain about the actions of some members of the medical profession but I think the creation of the Medical Register Committee some time ago has improved the position considerably. I believe that when any case of abuse is brought under notice the Medical Register Committee is very fair in its inquiries, and this has had the desired effect of keeping very much in check incidents that gave rise to resentment in the past. The Minister made a suggestion that weekly payments should be made on the basis of the basic wage. Personally I do not think that would work out at all satisfactorily. Queensland is the only State that has adopted anything of that nature, and there it has been applied only for the purpose of fixing allowances for children with a limit of three dependant children. No sum is allowed either for medical, hospital or first-aid charges which have to be paid out of the compensation, with a maximum limit of £5 a week.

If it were decided to make weekly payments under the scheme, with our basic wage at £4 19s. 11d., the maximum amount payable to an injured worker would be in the vicinity of £4 4s. per week. In making that statement I am quoting the figures submitted by the Minister in another place. I suggest we might agree to a limit in the vicinity of that amount. There again I wonder what would happen when the basic wage decreases. Would the worker be as happy to receive the reduced amount as he is to accept the increased amount? I doubt it. I do not think the principle could be applied satisfactorily and I am afraid it would be cumbersome and expensive to operate. It might cause great dissatisfaction to workers and employers alike, particularly should the basic wage scale descend. It seems to me that the whole question of workers' compensation should be reviewed, keeping in mind our hope for industrial expansion in this State. The Minister must not forget that he will be asked to justify any increase in industrial costs such as are inevitable under this legislation. I shall support the second reading of the Bill because I feel that there is justification for some of the amendments proposed.

The fact that there has been no alteration in the amount of compensation payable to injured workers since 1925, when the basic wage was £4 3s. 4d. has convinced me that some increase beyond £3 10s. per week is justified. Just at what figure the amount of compensation should be fixed remains for the House to decide. Without suggesting any amount I would like to hear the views of other members. I shall definitely support an increase up to a point. Regarding the maximum earnings entitling a tributer to payment for compensation, I will agree to the amendment proposed, particularly as the State Insurance Office has already agreed to the amount of £500. I also consider that the increased hospital charges are justified in view of the present position, seeing that it is such a considerable time since the present charges were fixed. There are other matters I shall deal with at the Committee stage, but the amendments I shall suggest will not amount to anything of a serious nature.

Generally speaking, I am in favour of the Bill with the suggested alterations to the Act. I wish again to emphasise the fact that employers generally in this State have no desire to be unfair to the workers, particularly those who are injured, and they agree with me when I say that some such alterations are necessary. I appeal to the Government, should some of the amendments embodied in the Bill be accepted, to overhaul the Act in its entirety next session; not towards the end but during the early stages of the session. I suggest that the Government could even refer it to a committee of experts to bring the legislation up to date and make it fair to employees and employers alike.

HON. E. M. HEENAN (North-East): I rise to support the Bill, which in my opinion is a fairly comprehensive overhaul of this most important legislation.

Hon. J. Cornell: Have a look at the notice paper tomorrow!

Hon. E. M. HEENAN: As we all know, the Workers' Compensation Act is an extremely vital piece of legislation for the workers of this country. It sets out the amount that is to be payable to dependants in the event of a worker being killed; it sets out the

amount payable to a worker and his dependants in the case of sickness or injury; it provides for hospital accommodation, railway fares and so forth. I do not think anyone will agree with Mr. Bolton that the time is inopportune for the introduction of this amending Bill. I submit that every year the Act should be brought up to date where necessary, because it plays so vital a part in the lives and well-being of the great majority of the people of Western Australia.

Hon. L. B. Bolton: I have suggested that it should be done earlier in the session.

Hon. E. M. HEENAN: In my opinion, all of the amendments proposed in the Bill can be adequately justified. The most important proposal is to increase the weekly payments from £3 10s. to £4 10s.; that is, when a worker meets with an accident and has to leave work and receive his compensation. As members know, the present payment is £3 10s. per week; and that is the amount that has applied for a number of years. It will be readily realised that during the years the cost of living has increased very materially; and members must bear in mind that that amount of £3 10s. is the maximum which a worker and his dependants can receive. The total amount is to cover half the wages of the worker, plus 7s. 6d. per week for each child under the age of 16 years, subject to a limit of £3 10s. Members must not come to the conclusion that £3 10s. is the amount which is paid as a matter of course; very frequently it is well below that amount. I believe that most fair-minded people will agree with the proposition which I put forward when I say that £3 10s. nowadays is inadequate for a man, his wife and the average of two or three children to subsist upon.

Hon. J. Cornell: It is not proposed to increase the amount for children.

Hon. E. M. HEENAN: No. The proposal is to increase the amount to a limit of £4 10s. per week; so that if the Bill is carried and that provision is not altered, a worker who has stopped work and has a wife and three children dependent on him will get the £4 10s.

Hon. J. Cornell: It is 21s. per week for three children.

Hon. E. M. HEENAN: Assuming that the worker was earning £7 per week, in the existing situation all he would get would be the £3 10s.; he would not get anything for his children. Accordingly the increase is more or less in keeping with the rise in the basic wage, and can be justified on that ground.

Hon. L. Craig: That is the only ground.

Hon. E. M. HEENAN: I do not agree that that is the only ground. In my opinion the major ground is that the maximum of £4 10s. is surely the minimum which we can expect an injured worker and his wife and children to exist upon in these days.

Hon. L. Craig: The £4 10s. is the maximum.

Hon. G. Fraser: The base would be too low.

Hon. L. Craig: In your opinion.

Hon. E. M. HEENAN: I think that is the minimum which industry should be called upon to pay to those unfortunate workers who meet with accidents and have to exist, with their families. It is our object to provide a living wage for a man when he is working, but by some strange reasoning when he meets with an accident in the course of his employment the standard is altered completely. I hope the time will come when the worker will continue to receive the amount that he was able to earn. That, I think, is the ideal we are striving for.

Hon. J. Cornell: The hon. member is not employing many people!

Hon. E. M. HEENAN: The question regarding tributers is just an anomaly which should be rectified. Under the Act as it stands, a worker is defined as one whose earnings do not exceed £500 per year; but through an oversight that provision was not made to apply to tributers. The tributers were still left on £400 a year, and it is just a consequential amendment to bring them into line.

Hon. J. Cornell: The fact remains that no tributer has been cut out, that the mining companies have included the tributer under the £500.

Hon. E. M. HEENAN: I agree that there are not many tributers at the present time, but the mines will be glad to get them back.

Hon. J. Cornell: That anomaly has not worked unjustly to tributers.

Hon. E. M. HEENAN: However, the Act should be brought into line, and the amendment is merely consequential. Another im-

portant proposal of the Bill deals with the Second Schedule, the one to which Mr. Bolton has taken exception. At present, if a man loses the joint of a finger he receives £90 compensation. He invariably has to go into hospital, but on an average he is not there very long just with the loss of a joint of the finger or a joint of a toe. Occasionally, however, there are complications, especially when injuries of a more serious nature have occurred. I am sure we have all known of cases where men are in hospital and out of work for quite a long period. They are paid weekly compensation during the period they are out of work. When they are able to resume work it is frequently found that quite a large amount of the lump sum to which they were entitled has been received by them by way of weekly compensation. I can instance the case of a man who lost the joint of a finger and through some complication, instead of being off work for a week or a fortnight, was off work for two or three or four months. He is in the unfortunate position, when he resumes work and collects his compensation, instead of getting £90, receiving only, say, £50. The balance of the compensation he has received by way of weekly payments, to keep him and his dependants during the period he was off work. All he gets to compensate him for the loss of a joint of his finger or toe is that reduced amount.

Hon. J. Cornell: What happens to the worker who loses a leg?

Hon. E. M. HEENAN: A similar state of affairs exists in that case. To a man who loses his leg the Second Schedule gives £600. It will be readily realised that the man who loses a leg is incapacitated for a long time; and during that long period he and his family have to live, and he receives, say, £3 10s. per week. Then at the end of six months or 12 months, when he is discharged by his doctor and is able to take some form of employment, his £600 has been largely cut out; and it is that situation which an amendment in the Bill seeks to remedy. I consider that in principle it is right that the amendment should be carried. Another important amendment deals with lump sum payments.

In Kalgoorlie I have had quite a number of cases where men have retired from the mines suffering from silicosis, which comes under the Third Schedule. I believe they receive £750 by way of compensation. It is paid to them in the form of half their earnings, about £3 10s. per week, over a long period, until the amount of £750 has been cut out. After six months, however, they can apply for what is called a composition. The unfortunate man might, for instance, want to buy a garden or a farm or a house; and then he makes an application to a magistrate for what is called a composition. If good reason is given, the magistrate says, "Yes, I agree that you should be paid the balance due to you in a lump sum." But then the Government Actuary has to work that out by making a calculation, and he deducts quite a substantial amount in the way of interest that the amount would have earned.

Hon. L. Craig: He works out the present value of the amount.

Hon. E. M. HEENAN: Then, instead of getting the balance of £750 which he expects, the worker finds that quite a substantial amount is deducted. That is something I regard as unfair, and something that the worker can never understand.

Hon. J. Cornell: Who is going to assess the amount under this Bill?

Hon. E. M. HEENAN: There will not be any deduction at all under the Bill.

Hon. L. Craig: The Bill does not say that.

Hon. E. M. HEENAN: Yes. I hope I have not read the Bill amiss because it is a provision which the Bill should contain and which I believe it does.

Hon. L. Craig: Can the magistrate decide the amount without an actuary?

Hon. J. Cornell: As I read it, the only deduction would be the amount drawn. There would be nothing actuarial.

Hon. E. M. HEENAN: I assure members that is so.

Hon. J. Cornell: The hon. member seems to be in a bit of a fog about it.

Hon. E. M. HEENAN: I am not. I have made personal applications for men who have been turned down. They can apply for a composition at any time after six months, and when they do apply the magistrate refers the application to the Government Actuary, who calculates the present value.

Hon. J. Cornell: We know all about the past; what is going to happen in the future?

Hon. E. M. HEENAN: If this Bill is carried, the worker will get the full balance of £750.

The PRESIDENT: Order! I suggest that all these details might be left to the Committee stage. The second reading discussion is to deal with the broad general principles of the Bill.

Hon. E. M. HEENAN: I accept your direction on that point, Mr. President. Those are the major amendments which I think the Bill contains. As I have had some practical knowledge of the working of the Act and its implications I took the opportunity of giving the benefit of that experience, for what it is worth, to the House. I am a little disappointed that the Bill does not seek to raise the maximum amount which, at present, is £750. I regard that sum as inadequate for a widow and child whose supporter has been killed in industry. It would be hard to fix a figure that would be adequate. I hope it will not be long before the amount is increased to something like £1,000, which would be more in keeping with the loss sustained. I hope the Bill will be adopted without any substantial amendments.

HON. J. A. DIMMITT (Metropolitan-Suburban): All political parties in this State have set the seal of approval on the principle of compensating injured workers. They have combined to provide, as Mr. Bolton indicated, what is probably a higher standard than obtains in any other State. I agree with the increased maximum weekly payment, but I do think that weekly payments should not be divorced from the payment for medical expenses. I shall come back to that point later. Whilst I am not disagreeing with the Bill—I intend to vote for the second reading—I feel I am justified in making the comment that this measure, if it becomes an Act, will impose an additional charge on industry, and it might have some harmful effect on the outlook of industrialists who contemplate coming to Western Australia to open manufactories, because this additional impost on the cost of manufacture will create a greater disparity between manufacturing costs in Western Australia and those of the more highly industrialised States of Victoria, New South Wales and South Australia.

One of the main causes of the high cost of industry in this State is the limiting of medical expenses to £100, as provided under our Act, to cover not only the medical fees but hospital charges and first aid. I am informed, on what I consider to be reliable authority, that this provision has been largely responsible for increasing the premium rates. May I at this stage make a comparison with the hospital and medical benefits under similar Acts in other States? In South Australia, no provision is made for medical expenses which, if they are incurred, have to be paid out of the weekly compensation. Victoria provides a limit of £25; New South Wales a limit of £25 for medical fees, and a similar limit of £25 for hospital charges, and a limit of £2 2s. for ambulance charges. Queensland, as has already been pointed out by Mr. Bolton, makes no provision for medical expenses. All such charges have to be paid out of the weekly compensation.

Hon. G. Fraser: The hospital charges would be greater than the amount a man would get in compensation.

Hon. J. A. DIMMITT: Yes. I will deal with that point later. It can readily be seen that the increased benefits provided in Western Australia cannot fail to have any other effect than to increase the cost of insurance, and that is borne out by an examination of the premium rates in the other States. In addition, it cannot be overlooked that the Bill proposes to amend paragraph (e) of the schedule to provide for massage treatment as an additional charge to be included in the £100 limit. No valid argument can be raised against the use of massage or, in fact, against any other form of medical or surgical remedial treatment. But there is a real concern that these various forms of treatment create a charge on industry in Western Australia in contradistinction to the charges on industry in the other States. On looking into the Bill, the proposed increase in hospital charges appears to me to be warranted in view of the comparatively low scale that has hitherto been provided. The amendments in the Bill will again operate to increase the average general medical charges in each case where hospitalisation is necessary and this, in turn, will again have the same cumulative effect of increasing premium rates. The same conclusion is arrived at in considering the proposal to replace artificial limbs, teeth, eyes and glasses, which get damaged as a result of an accident; also the provision of wheel chairs and surgical appliances.

The present Act is notable for the fact that although it is much more costly to the employer than the Acts of any of the other States, the worker does not always receive all the benefits. There are many cases which prove that a large proportion of the sums payable as compensation do not reach the pockets of the workers. Large sums of money have been expended on medical and hospital fees which probably would not have been so freely spent if the sum provided for such contingencies were limited to a smaller amount. Consideration might be given by the Minister to reducing the amount of £100 to £25. The objective of any amendment of this Act should be to improve it for the benefit of the worker, and that aim will be achieved by this Bill. The worker is deserving of increased benefits, but I believe that the worker could receive those benefits if the £100 —that is, the £100 that can be spent, and sometimes is unwisely spent, on medical fees and hospitalisation—were reduced to a lesser amount such as £50 or £25. Then the weekly payments under the Act could be made without substantially increasing premium rates. I make that suggestion so that the Minister can give consideration to it, because we must, as far as possible, avoid any increase in the cost of production if we are to induce manufacturers in other parts of Australia and oversea to come to Western Australia to establish manufacturing plants. I support the second reading.

HON. J. G. HISLOP (Metropolitan): I speak on this Bill as one who has had considerable experience of the working of the principal Act. Prior to my entry into this House, I had, in a consultant capacity, gained much appreciation of the effects of the Act upon the return of the injured worker to work. I do not think that I am boasting when I say that I had the respect of both the employers and the employees and that I was engaged just as frequently by Labour unions as I was by employers and insurance companies. I also had a considerable amount of experience of the State Insurance Office, and I am happy to pay a tribute to the way in which it handled its affairs under this Act. Possibly it would not be wrong to say that a considerable measure of the success of the State Insurance Office has been due to the wise handling by Mr. S. Bennett.

I must at this stage thank the Minister for Works, as did Mr. Bolton, for forwarding to us a copy of his speech, but I regret that before introducing this amendment to the Act the Minister did not collaborate with those of us who have had long experience and have taken much interest in the subject. The amendments contained in the Bill are, in my opinion, far from being major. They are major insofar as they deal with payments and benefits to the worker, but I do not think they can be regarded seriously as major amendments when the whole Act is taken into consideration. Had the Minister approached those of us who have seen the Act in operation, there would have been amendments of a much wider character than those that appear in the Bill. If it is at all possible, there will appear from me a number of proposed amendments.

Dealing with the Bill as it is, there are several aspects calling for comment. I agree that the weekly compensation should be raised. I have seen many distressing cases when £3 10s. per week was the limit, especially before the introduction of child endowment. But one must say that if the amount payable to the worker is to be increased to £4 10s. per week, with the child endowment still being received, some adequate safeguards must be made to protect the honest, injured worker, because he will suffer for the ill-effects produced by the minority of workmen who may be said to trade upon the Act. I heard it said only today that this would be a very difficult Act to police or control should another depression occur with the wage as stipulated in the Bill. Therefore I am disappointed that some safeguards are not provided to protect the honest worker. they should be provided in a number of ways.

I consider that a provision is necessary to lay down some time at which a man might be declared fit for work. At present, if he receives a certificate of unfitness, even if the medical officer of the State Insurance Office, after consultation with specialists, states that the man is fit for work, he must be returned to compensation by the State Insurance Office. Surely if three medical certificates are received stating that a man is fit for work, it would be a fair safeguard against a continuance of unemployment by a man who was considered to be trading on the Act! I admit that even then there will

be a minority of cases in which even the three doctors are wrong, but it is a safeguard that could be introduced with a good deal of benefit to the Act. All through the Bill there is a total absence of protection for the honest worker whilst the raising of compensation continues. I will deal with this point later when we come to consider the Second Schedule. If we are to preserve the Act, we must make every endeavour to ensure that the man genuinely injured and unable to work receives everything we can afford to give him, but we must make equal endeavour to ensure that the man who is not deserving of compensation does not get it.

Hon. L. Craig: That would be very hard to do.

Hon. J. G. HISLOP: That is the difficult part. I consider that, with the years of experience we have had, we could, in collaboration, devise methods by which we could do better than we are probably doing today. At the same time I am not trying to absolve every member of my profession because, in every walk of life, we find that type. Provisions must be inserted in order to ensure that the medical man who does not play the game shall not sign certificates for men who themselves do not desire to play the game. In my opinion we could frame provisions of that sort.

Continuing through the Bill, we find that the question of payments to hospitals is dealt with. This brings up many difficult points. It brings up the whole matter of the treatment of the injured worker. The question of the £100, as well as the question of the payment to hospitals, is one that involves a seriously injured worker, and it is he who must be protected. Therefore, the question of admission to and treatment in hospital is a very vital part of any Workers' Compensation Act. I would be very sorry to see adopted Mr. Dimmitt's suggestion to reduce the medical costs to £25. I would ask him who is going to pay for the treatment. Can he visualise that, because industry wants the £100 reduced to £25, every injured worker must go into a public hospital and there receive his treatment at the expense of the State generally because that is what would happen, and that would only be robbing Peter to pay Paul?

Hon. J. A Dimmitt: In the majority of cases, the expenditure would be less than £25.

Hon. J. G. HISLOP: Then the hon. member would seriously interfere with the treatment of a man who had had a serious accident. I believe there would be only about 60 cases per annum in which the £100 is exceeded, and I have in mind provisions to assist the proper distribution of the money when it has run out. The hospital problem as outlined in the Bill brings up two points for consideration. Firstly, can anyone explain why a hospital should be allowed to charge more for the first 30 days than for the remainder of the period? What is at the back of that suggestion?

Hon. J. Cornell: Patients must eat less afterwards.

Hon. J. G. HISLOP: Quite possibly a patient would eat more. The charge that has been made for hospitals for workers' compensation cases has always been inadequate and has resulted in inadequate accommodation for the injured worker, apart from places like St. John of God Hospital where there is a ward set aside, more in the nature of a ward of a public hospital.

The Honorary Minister: Except at Fremantle.

Hon. J. G. HISLOP: Yes; and the average private hospital realises that it is losing money on workers' compensation cases.

Hon. J. Cornell: Those hospitals do not want such cases.

Hon. J. G. HISLOP: That is so. I asked at a large private hospital why workers' compensation cases were taken, and the reply I received was, "We only take them to oblige doctors who send their other cases to us." These hospitals cannot face the loss they sustain on each workers' compensation case. Therefore, what justification is there for a reduction in the amount after the first 30 days? An injured worker who is in hospital longer than 30 days is, as a rule, a seriously injured man. He might be a man with a fractured spine calling for considerable nursing. It is said that the hospital has been asked to accept less than its daily fee because the money is assured and there are no bad debts. This surely is a wrong policy also. I understand that one hospital that does take a few workers' compensation cases loses 4s.

per day on every case. Under the amendment proposed in the Bill, it will now lose only 2s. per day.

The other point I would ask the Minister to explain is why a hospital, such as St. John of God, or The Mount, both of which are efficient institutions, should receive 12s. per day while country hospitals receive up to 16s. 6d. per day. Is it all due to the extra cost of living in the country districts, because 4s. 6d. per day extra represents a considerable amount? I would like further consideration to be given to this matter because I believe that a more equitable method of payments to hospitals could be devised. There is a further matter. A case may have been in hospital for a long time such as a case of treatment for severe burns or a man with a fractured spine. The patient may have been in the hospital so long that the £100 is exhausted. When the £100 is exhausted, pro rata payment is made, and on the present basis, the pro rata payment is made by a simple arithmetical division of the fund between the creditors. This very often works out badly for the hospital because, if the hospital bill is £50, it might actually spend £40 leaving a profit of say £10, though it might not be that much. However, the actual £40 was paid out, and on the pro rata subdivision, the hospital might receive only £25, so that it might actually have dropped £15 on the treatment of that injured workman. I do not know what the position is at the moment, but there were times when that was somewhat frequent in some of the hospitals to which seriously injured workers were admitted.

I can recall one private hospital which had such a bad time under that heading that it decided in future not to handle workers' compensation cases at all. I have in mind an alteration which could be made to the provision for the payment of £100 for medical expenses. This sum should be divided by a committee on a pro rata basis to be decided by it. It would have to be a medical register committee, which could call for evidence as to the treatment of the case and then decide whose accounts should be paid on a high or a low pro rata basis. Everyone to whom I have spoken regards that as a much fairer method of meeting these accounts. I am of opinion that the provision in this Bill to pay hospitals another 2s. per day will not meet the situation which exists at the moment. The Bill also provides that travelling expenses shall be paid to a worker who has to travel for treatment. Notwithstanding that the expenses will come out of the £100, it will mean that the worker who is called upon to travel for massage treatment or to have x-rays taken, or for any other investigation, will have his travelling expenses paid out of the money set aside for medical expenses. Nobody would quibble at a provision like that. The absence of it has in the past produced many difficulties that I know of.

The Bill contains one clause, however, the reason for which I am afraid I cannot see. I may be dumb, but the clause provides that if a worker does not ask for a settlement of his weekly payments, and then dies from some other cause, his relatives shall get the money which he would have received. If the worker dies from some other cause, it seems to me that that would have little to do with payments under this legislation.

Hon. L. B. Bolton: But he might die while he was receiving compensation.

Hon. J. G. HISLOP: Yes, but apparently he would have elected to go on after the six months receiving his weekly compensation. I can see that tremendous difficulties will arise in medical evidence alone as to how long this man would have been incapacitated.

Hon. L. Craig: But he was receiving compensation and could have got a certain amount.

Hon. J. G. HISLOP: But if he dies suddenly from some other cause his family can claim the amount he would have received had he asked for a settlement.

Hon. L. Craig: At the time of his death he was, in effect, a creditor. There is nothing wrong with that provision.

Hon. J. G. HISLOP: I want the House to be quite clear what it means. It does seem that the worker himself had the option, while alive, of receiving an amount in settlement. The clause will be very difficult to construe in practice. There have been many exceedingly difficult cases to decide and this clause looks to me as if it will be one of the most difficult to construe.

Hon. E. M. Heenan: There would not be many such cases.

Hon. J. G. HISLOP: I hope not. Then we come to permanent incapacity and the question of a lump sum settlement. Here again we have opened up many problems

in workers' compensation. I doubt whether this clause will meet what must be the future social legislation. Lump sums have proved to be exceedingly difficult first to assess and secondly to handle by the worker. Many cases have occurred in which workers have received lump sums, but have not held them very long. The assessment of compensation for injuries, apart from fixed sums such as those to be paid for loss of life, loss of leg and down in the Second Schedule to practically the loss of a thumb, might with advantage be altered. I suggest that the assessments for these minor injuries, which must be based on opinion, should not be made by the doctor attending the patient.

There will always be a tendency on the part of some doctors to get as much as they can for their patients; on the other hand, there can be—as I know—a tendency on the part of some doctors to strive for perfection in results. These doctors will give low assessments on the basis that they hope they have got a good result for the patient. In neither case is there any dishonesty. I can assure you, Mr. President, that patients look to their doctors to do the very best possible for them. To a certain extent, the doctor is the advocate of his patient, and rightly so, in everything he does for his patient. So I suggest, in all sincerity, that the assessment of compensation for these minor injuries should be in the hands of experts. I know of one man with much experience of workers' compensation cases who believes that no assessment should be made unless by a committee consisting of an experienced workman, a trade specialist, an experienced medical officer and possibly a magistrate, who would assess the evidence given. That is where medical thought is taking us today on the question of assessment of compensation for injuries.

Unquestionably, some of the items in the Second Schedule need much revision. If a man loses his index finger—a serious injury—the amount of £150 allowed by the Act is not in any way excessive. If a man loses his second finger, that also will be a considerable disability to him, for one must bear in mind that the hand is divided into two parts—the power part and the balancing part. If a person loses any of the power part he suffers considerable loss; if he loses either of the two fingers of the balancing part of his hand, his disability is much less. There are instances in which the loss of the top of a finger is of little importance if it happens to be the ring or little finger. The loss of a little finger can only be of real importance if there is an injury to a metacarpal joint. These things must be taken into consideration in arriving at a lump sum payment for compensation. In my opinion, the Second Schedule could quite well be amended to read as the New Zealand Act reads—"loss of earning capacity" or "loss of efficiency of the whole hand."

We do not in our Second Schedule provide anything for the loss of a big toe; yet its loss is a very serious accident. The loss of a second toe can also be serious because of the misplacement that occurs of the big toe. These matters, in my opinion, cannot be measured in actual round sums of money; they depend to a very large extent on the occupation in which the man is engaged. Some method of compensation, other than that provided in the Second Schedule, must be introduced into the social legislation of this State. Lump sum compensation also brings to my mind a hope I have had for many years, and that is that the preventive side of workers' compensation should be given much more thought than it has received in the past. The days when a man was discarded from industry after injury have gone. The International Labour Bureau has accepted a dictum that as one basis of the post-war period, no industry shall be allowed to be carried on unless it can provide sufficient to repair its machinery, including its human machinery. The mere fact that we give a lump sum of money to an injured person in many cases is no compensation at all. If that man has been seriously injured in industry, it should be the duty of the State to see that he can still have a decent standard of living.

It is definitely agreed by all those who are interested in workers' compensation that the lump sum compensation payment should not be portion of the medical expenses; or, to put it another way, that the medical expenses should not be deducted from the lump sum. That lump sum is given to a worker to repair in some way his earning capacity. I consider it would be better if the State dealt with the matter from the point of view of providing a pension. That brings me to the question of prevention of accidents. I have always hoped that the time would come when a department could be established to

investigate industry with the object of preventing illness and accident. At this stage I do not want to elaborate what I have in mind, because an opportunity will be afforded me to explain it in detail later on. Having viewed this Act for years, I consider that we are in a position, as a State, in which we cannot properly care for injured workers while the insurance is spread around 50 or more companies. We can only obtain all the evidence which we should have and which today we are losing, by having a central body carrying out that investigational research. I hope to see the State Insurance Office take over the whole of workers' compensation.

Hon. L. Craig: You will get an invitation to join the Labour Party.

Hon. G. Fraser: You have something there!

Hon. J. G. HISLOP: I am prepared to say that every day until someone really honestly believes it. It is the only method by which we can protect the injured worker and do a service for industry. A Select Committee went into the question of the State Insurance Office in 1937 and there is an illuminating paragraph in its report. That paragraph reads—

> All the witnesses representing the Associated Companies suggested that the risk associated with the miners' diseases should be removed from the Workers' Compensation Act and brought under a separate Government scheme. Most of the witnesses agreed that workers' compensation is a type of social insurance. Several witnesses stated that this class of insurance should not be traded in as ordinary insurance business for profit; further that the State has a duty to make the insurance available as cheaply and efficiently as possible to employers. In view of the fact that workers' compensation insurance is social in character and is compulsory, your Committee considers that the rates to be paid by employers should not be loaded with charges such as Federal and State taxation, rates, rent, commissions and fees to agents.

In the same report is a table showing workers' compensation business transacted by the companies during the five years ended the 30th June, 1936. The table is as follows:

Revenue from Premiums.	Expenditure.			
	Claims. (including Medical Expenses).	Commission and Agents' Charges.	Other Expenses.	Total.
£715,892	£564,904	£73,165	£202,378	£840,447

The figures for the State Office for the same period are as follows:—

£766,171	£578,374	*Nil*	£14,623	£593,017

In respect of the private companies there was thus a loss of £130,000 in the five-year period, while the State office made a profit of £180,000 odd. That is the only method I consider under which industry can afford to pay this rate of compensation to the workers of this State.

Hon. J. Cornell: Workers' compensation should be non-profit-making.

Hon. J. G. HISLOP: That is so. The only method by which we can put this on to a proper basis for the workers is to see that there is a central body with all the power necessary to investigate. There are any number of instances which I could give the House at an appropriate time, and which I think would explain why we need much more research and investigation into industry than we have at the present time. It is an established fact that even today if a fatal accident occurs in an industry an insurance company has no right whatever to refuse to insure any other workers from that industry but must continue to accept them. While that occurs there should be power behind someone to enable him to say, "Yes, whilst we must insure you, you must, in return, take the necessary preventive steps." I consider that is only just. And it can be done only by a body that knows the correct methods to be adopted, and they can be discovered only after investigation and research.

There are many instances in America of firms that employ the same number of men as we have in the whole State. Do members think that a business firm or a man like Kaiser, for instance, would have workers' insurance spread over 50 different companies? No, such people put the care of their men under specialists trained to the job. If there are members in this House who are interested I could produce to them the last three years' issues of the "Industrial Journal of Medicine of America," the only journal up to recent times of its type. From that members would be able to see the extensive methods adopted there to prevent accidents in industry. I have said enough to make members realise that this is a matter of extreme interest, of vital interest to the State and one that needs urgent revision, one concerning

which it would repay the State to go into in detail. I support the second reading.

HON. L. CRAIG (South-West): I agree entirely with the principle of the Bill. I would like to congratulate the last four speakers for their excellent addresses on the subject, of which they have considerable knowledge—Mr. Heenan from the legal standpoint; Mr. Dimmitt from the business viewpoint; Mr. Bolton as a manufacturer, and Dr. Hislop as a doctor with a large experience of workers' compensation. I was interested in all those speeches and I hope the Government will take note of what was said because all four spoke from knowledge. I have one or two complaints about the Bill. I would stress the importance of correlating what Mr. Dimmitt had to say with what Dr. Hislop said. Dr. Hislop made a first-class speech on what I might call social justice for the worker. However, we must temper social justice with sensible legislation as far as industry is concerned. If we are going to load our manufacturing industries with costs considerably above those of other States we will never develop those industries in Western Australia. In order to equalise the benefits in all the States, it would seem that workers' compensation should be a Federal matter. We have Victoria, with maximum benefits of, I think, £3 per week.

Hon. L. B. Bolton: It is £3 7s. 6d.

Hon. L. CRAIG: Queensland's figure is £5, and that of New South Wales is the same. Here we propose to make it £4 10s. We must of course not be behind other States, but we are loaded more than are other States. We have a basic wage that is higher. It is no good the Minister for Industrial Development—who is giving tremendous attention to the development of industries in this State—asking capital to come to this country unless industry can compete on equal terms with industry in other parts of Australia. Where industry is responsible for a man's illness, it should return that man in good health to his job; that is basic. I agree with the principle of a man's receiving compensation plus a lump sum. I do not quite agree that glass eyes, artificial teeth and artificial legs that are damaged should necessarily be replaced entirely at the expense of the employer. That opens up the whole field to corruption.

Those who have false teeth know that their gums shrink with age, and it would be easy for a man to drop his teeth into a machine and get a new set at the expense of somebody else. Glasses, in many instances, have to be changed every two years, and artificial legs deteriorate considerably. All these things are like machines; they do not become so much obsolete but rather do they deteriorate. I think it is wrong where such artificial aids are damaged or destroyed, that they should be replaced entirely by industry. A small proportion of the cost—perhaps 25 per cent.—should be borne by the worker so that these things will cost him something. This provision opens up the way to tremendous abuse.

Hon. J. Cornell: The liability of industry would never cease under this provision.

Hon. L. CRAIG: Of course industry caused the injury in the first place. If a bolt flies off and goes through an artificial leg it is only fair that industry should face the cost. The principle is a good one. I hope every member will read the speeches of the four gentlemen who preceded me. It is nice to hear speeches from people who know their subject thoroughly. I support the second reading.

HON. H. S. W. PARKER (Metropolitan-Suburban): I was very pleased indeed to hear the speech of Dr. Hislop, because he expressed extremely ably what I have endeavoured to say for many years. One of my first experiences of the Workers' Compensation Act concerned the absurdity of the Second Schedule. A lad came to me on one occasion who had been working for a papercutter and who had snipped off the end of his thumb. He was away from his work for two or three days. I told him he was entitled to £112 10s. The insurance company refused to pay and we went to court and judgment was given. The matter was then taken to the Full Court and, in arguing the case, I pointed out that while I candidly admitted that my client had suffered no serious injury whatsoever, he had lost a portion of his thumb and, under the Second Schedule, was entitled to £112 10s. The court said, "Yes, you are in the right," and the lad got the amount. If a musician had lost one joint of his little finger, he would have got far less than £112 10s. but he would have been ruined for life in his occu-

pation. That, of course, is absurd. As Dr. Hislop pointed out, the loss of a toe might be very serious to a certain type of worker, but would mean no loss of earning capacity to another type of worker.

The Second Schedule should be brought into line with the New Zealand Act with regard to loss of earning capacity though I do not suggest everything should be bound down hard and fast. I believe we should provide compensation for injured workers, and the object of the Workers' Compensation Act is that the man who is injured in industry shall be supported by that industry and not become a burden on the State. We know that today industry covers itself by means of an insurance policy, and that is a most expensive way of carrying out workers' compensation. In 1901 an excellent Bill was introduced. This provided that every person who employed anyone at all would be assessed by the Government and pay the amount of the assessment arrived at into a fund. When a worker was injured, he would go to the department controlling the fund, prove his injury and that it was incurred in the industry concerned, and he would immediately receive the proper compensation, irrespective of whether the employer was insured or was or was not in a financial position to pay. That Bill fell by the wayside under rather peculiar circumstances.

One objection was that the Second Schedule had been altered, and certain parties thought that the object of the alteration was based on some grasping idea on the part of the employers to cut down the amounts due to injured workers. On the contrary, the amended schedule had been worked out on as scientific a basis as possible by a committee appointed by the British Medical Association. That committee went thoroughly into the matter and decided what, in round figures, would be as fair a second schedule as could possibly be framed and that, instead of £100 being the maximum payable for medical expenses, the board controlling the fund should be in a position to decide whether it would be advisable to pay a larger amount. It was stated in support of that view that a man might suffer from an injury of such a nature that it would pay the department to send a man to the Eastern States, where there might be a specialist with particular knowledge of the treatment of an injury such as the man was suffering from and thereby enable the worker to be cured so that he would cease being a burden on the fund. In fact, it was a business proposition. However, the insurance companies objected to it and stated that it was merely the thin end of the wedge to establish State insurance. It was not really a question of insurance, although that term was used in connection with the fund. The proposal raised the ire of the insurance companies, and they combined, I regret to say, with the Labour Party, and had the Bill thrown out—although the insurance companies said they were losing money on that branch of their business. The figures disclosed by Dr. Hislop showed that the insurance companies were losing money on workers' compensation business.

Hon. G. Fraser: Because of the overhead costs.

Hon. L. Craig: And taxation and other costs.

Hon. H. S. W. PARKER: Workers' compensation has not proved payable or profitable for insurance companies, and it has certainly not worked under present conditions for the benefit of industry or of the injured men. As a matter of fact, it should have nothing to do with the insurance companies; it should be controlled by a Government department. Another objection raised to the proposed legislation was that there were no figures on which the amount that industry should pay into the fund could be assessed. Now that the State Insurance Office has been operating for about 13 years in connection with this business, figures should be available and the required assessment should be made respecting the various industries and individuals employing others. Of course, any assessment arrived at might be out of proportion in some respects at the start, but it would be only a matter of time before that would be adjusted. If the scheme were operated as I suggest, the only overhead costs would be those relating to the administration of the fund. The workers would get more and they would be sure of receiving the compensation to which they were entitled, while employers would pay only the essential amount so that the charge on industry would be far less than under the present expensive method of operating.

Hon. L. Craig: The scheme would be subject to abuse.

Hon. H. S. W. PARKER: I cannot see that but, of course, there is always the possi-

bility of abuse in connection with every proposal that is advanced. In any case, in order to avoid the element of abuse, the medical profession suggested that there should be a panel to deal with such matters. Objection was raised to that because it was said that a man would have to go to the panel doctor whereas he might prefer to consult his own medical adviser. Anyhow, that objection could be easily overcome. In my opinion, any system is preferable to that which has operated previously and, under the scheme I have referred to, better compensation would be payable here than is available under the English or any other Australian Act. I want to refer also to the growing practice of Ministers in another place flooding this Chamber with copies of their speeches. I think members should sit here with open minds and should wait for the Minister in charge of Bills in this Chamber to tell us what they are all about. The Bill placed before this House might be very different from the measure as it was introduced originally in another place, so that obviously we should wait until the Minister here places the legislation before us.

In this House we have an extraordinarily able man filling the position of Chief Secretary, who places matters before us very clearly and concisely. While we have the advantage of his direction, I do not think it is necessary for one of his colleagues to send us copies of his speeches before the Minister in this House has a chance to open his mouth. Personally, I do not like the practice. Today I have received a copy of another of the Minister's speeches. I prefer to deal with these matters with an open mind, taking the Bills as the Minister here presents them to us. In the latest instance, the legislation may never reach us. Why has this practice arisen? If it is to continue, and the Government is paying for the printing of these Ministerial utterances, I shall certainly ask that copies of my speeches shall be printed at the State's expense and circulated among members of another place. Why should Ministers only enjoy such a privilege? I enter my emphatic protest against such a practice.

On motion by Hon. G. Fraser, debate adjourned.

BILL—WESTERN AUSTRALIAN TURF CLUB (PROPERTY) PRIVATE.

Second Reading.

Debate resumed from the 30th November.

THE CHIEF SECRETARY [9.11]: The Bill is one that I am sure will meet with the whole-hearted approval of the House. The action of the W.A.T.C., as indicated in the Bill, is very progressive in that this legislation will have the effect of reducing the number of proprietary racecourses in Western Australia. It seems rather strange to me that the W.A.T.C. has not hitherto had the right to own land in its name. That difficulty will be overcome if the Bill is agreed to. I am sure this is a measure that will not meet with any opposition.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time, and *passed.*

BILL—TOWN PLANNING AND DEVELOPMENT ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER [9.17] in moving the second reading said: This measure is introduced at the request of the Town Planning Board in compliance with the express desire of the Perth City Council. A number of local authorities have by means of schemes and by-laws under the Town Planning Act, in times past, zoned their municipalities or parts of their districts into special areas for flats, and this control of flats, i.e., the segregation of flats and tenement houses in specified localities, has not been challenged in the courts. It was only when the City of Perth—the largest municipality in the State—prepared its zoning by-laws, which included the specifying of certain delineated areas wherein flats and tenement buildings could be erected, that the council's solicitors found a weakness or obscurity of intention in the two schedules of the Act purporting to give power under schemes or by by-laws to zone for flats and to prohibit their erection in certain portions of the local government's area.

The Solicitor General, after considering the case put forward by the legal representa-

tives of the council, and consultation with them, agreed that the effectiveness of the clauses in the two schedules purporting to confer the power of control, was open to argument, and that in order to remove any possibility for argument it would be desirable to amend the Act and give the necessary powers in expressed terms. Unless such power is definitely established by Parliament, it might be possible for the control to be challenged or broken and, further, for local authorities to have claims for compensation lodged against them by persons who could allege they intended to use their land or convert their single family dwellings into flats at some future date; and the proposed legislation will not only secure the City of Perth from such action, but will protect those local authorities who have already exercised the powers of control and set aside special zones, districts or areas wherein flats and tenement buildings could be erected. The Town Planning Board recognises that there will always be a percentage of the population in any town or city that might require or prefer to live in flats or tenements and that provision should be made for the reasonable development of this type of housing but in areas where their presence would not impinge on private single family homes and cause loss of value to those who were not in a financial position to convert, nor desirous of converting, their homes into flats or tenements.

The compensation sections of the Town Planning and Development Act remain unaltered, and if a scheme or a by-law made by a local authority, after the two proposed amendments were made by Parliament, were passed, owners of property or of land could still submit claims for compensation within a specified time, although such claims would have to prove damage and any damage could be offset by the betterment sections of the Act. No claims for compensation under previous schemes or by-laws have ever been made, neither has any local authority ever claimed any sum for betterment owing to the zoning for flats, and for this reason alone the Town Planning Board regards the amendments now sought as being purely precautionary, and machinery measures made at the request of the City of Perth to establish expressly power to prohibit flats and tenements in residential areas and to set aside areas wherein flats and tenements might be erected without injury to any property or person. The following are the principal reasons put forward by the Perth City Council for the introduction of this amending Bill:—

(1) The indiscriminate building of flats is not in the best interests of social welfare.

(2) The encouragement of the family dwelling unit and the limitation of flats is an accepted principle of both Commonwealth and State Housing Advisory Committees.

(3) The intrusion of flat buildings into residential areas creates false land values for adjacent home allotments, and the proposed legislation will tend to stabilise the value of home lots.

(4) The original subdivisions of most city and suburban areas have been planned and accepted on the basis that they are intended for single family dwellings, and the statutory requirements for subdivisions are therefore affected unless a proper allocation or zoning for residential flat areas is made.

(5) It is anticipated that the zoning proposals based on the proposed legislation will prevent undesirable effects on public utilities, such as water, sewerage, electricity, gas, etc., caused by large concentrations of flat buildings.

(6) The undesirable exploitation of good residential land by high flat buildings injuriously affects the amenity of the area for the home builder.

It is also pointed out that any restrictions or zoning proposals made under this proposed legislation have of necessity to be aproved by the Minister under the hand of the Governor-in-Council. This measure will strengthen the authority of the local authorities in controlling the erection of residential houses and flats and determining where they shall be erected, and there is no doubt it is urgently required to meet the present difficulty. I move—

That the Bill be now read a second time.

On motion by Hon. V. Hamersley, debate adjourned.

BILL—FINANCIAL AGREEMENT (AMENDMENT).

Second Reading.

THE CHIEF SECRETARY [9.26] in moving the second reading said: By this Bill it is proposed to ratify an agreement entered into between the Commonwealth and the States for the amendment of the Financial Agreement, and to clarify certain matters of sinking fund procedure. By the Financial Agreement entered into between the Commonwealth and the States in December, 1927, which was later validated

under the provisions of the Commonwealth Constitution, the Commonwealth took over all State debts and provision was made for the establishment of a sinking fund for the redemption of those debts. With the exception of specified classes of borrowings, the sinking fund contributions were fixed at 7s. 6d. per cent. per annum on the debts of the States as at the 1st July, 1927, and 10s. per cent. per annum on loans raised for and on behalf of the States subsequent to that date. Of this amount of 10s. the State concerned was required to pay 5s. per cent. per annum and the Commonwealth a similar amount. Of the 7s. 6d. the State pays 5s. and the Commonwealth 2s. 6d.

The principal exception to this sinking fund contribution of 10s. per cent. per annum on loans raised after the 1st July, 1927, related to loans raised to finance State revenue deficits. In the case of such loans the Financial Agreement provides that the Commonwealth shall not be required to make any contribution to the State sinking fund, and the State concerned is required to make a sinking fund contribution at the rate of not less than 4 per cent. per annum for a period sufficient to liquidate the loan, those contributions being deemed to accumulate at the rate of 4½ per cent. per annum compound interest. During the depression years, from 1929-30 onwards, abnormal deficits were experienced by all State Governments, and the Loan Council arranged, where necessary, to finance these deficits up to and inclusive of the year 1934-35 by means of borrowings from the Commonwealth Bank on the security of Commonwealth Treasury bills. The total amount so borrowed was approximately £53,000,000. The Treasury bills issued as security for these borrowings had a currency of three months only, renewable from time to time, and were taken up by the Commonwealth Bank.

It was considered that the Financial Agreement did not specifically provide for sinking fund contributions in respect of borrowings of this character, because they were deemed to be temporary and would have to be funded later, but the Loan Council agreed that some sinking fund provision should be made for such borrowings. Arrangements were made for contributions to be paid on the same basis as in the case of loans raised for purposes other than revenue deficits, namely, a sinking fund of 10 per cent. per annum, of which the Commonwealth provided 5s. and the State 5s. Contributions have been paid on this basis to the National Debt Sinking Fund for each year right up to the 30th June, 1944. A question was recently raised whether this procedure was strictly in accordance with the provisions of the Financial Agreement, and legal advice on the question was sought. Opinions have now been received from four leading counsel, who agree that the proper contributions payable in respect of these borrowings are contributions by the States concerned and not by the Commonwealth, and at a rate of not less than 4 per cent. per annum, as in the case of ordinary loans raised to meet revenue deficits. In other words, the loans in question should be liquidated by State sinking fund contributions for approximately 17 years, instead of by contributions for 53 years, and no payment should be made by the Commonwealth.

The deficits totalling £53,000,000 were, as I have already stated, incurred in abnormal circumstances, and had the sinking fund contributions at the time been paid at the rate of 4 per cent. per annum, they would have involved still further increased deficits and consequent further borrowings to enable the additional sinking fund contributions to be paid. The circumstances arising out of these transactions were carefully considered by the Loan Council, as the result of which a recommendation was made to the Commonwealth and State Governments that action be taken to amend the Financial Agreement to validate the sinking fund contributions that have already been made up to the 30th June, 1944, and to establish, as from the 1st July, 1944, a sinking fund contribution at the rate of one per cent. per annum. The States have undertaken to redeem £7,000,000 of the bills from their cash resources. The National Debt Commission is to apply £3,000,000 during 1944-45 to the redemption of Treasury bills, this being approximately the total sinking fund contributions to date in respect of these Treasury bills.

The new sinking fund of one per cent. is estimated to liquidate the remainder of this debt, namely, £43,000,000, in a period of 39 years as from the 1st July, 1944. Of the amount of one per cent. per annum, 5s.

per cent. will be paid by the Commonwealth and 15s. per cent. by the States concerned. The Commonwealth Bank has agreed to convert these Treasury bills, which have always been regarded as a short-term debt, into debentures with a fixed currency of 39 years, and under the proposals the debentures will be redeemed from time to time from the one per cent. contributions to which I have referred. These proposals provide a definite arrangement for the redemption of the Treasury bills which were discounted by the Commonwealth Bank to finance the abnormal deficits arising out of the depression, and it is felt they are reasonable in all the circumstances. The proposals have been incorporated in the amending Financial Agreement which is now being submitted in this Bill for ratification by Parliament. The proposals involve a contribution of 5s. per cent. per annum on the part of the Commonwealth towards the States' debts in question. This contribution was also considered reasonable in view of the very serious financial position in which the States found themselves during the depression years, and having regard to the difficulties which the States were experiencing in placing their finances on a more stable basis.

The position of this State at present is that we have a debt of £5,975,000 due to the Commonwealth Bank on the security of Treasury bills for deficit finances raised during the depression. At the present time we are paying 1¼ per cent. interest and ¼ per cent. sinking fund. Payments by the State on this debt of approximately £6,000,000 amount to £90,000 a year, while the Commonwealth is contributing £15,000 annually, but the Commonwealth has no legal liability in this regard. If the existing provisions of the Financial Agreement were applied we should have to find annual sinking fund contributions at the rate of four per cent. on these bills, and as the bills were redeemed by the National Debt Commission we should have to pay interest at 4½ per cent. on the amount redeemed. This would cost the State approximately £315,000 a year, at the start, and gradually rise as the debt was being redeemed, until it was paid off in 39 years. That is the law as it stands today, and it will have to be applied unless the Financial Agreement is amended as outlined in this Bill. The National Debt Commission has to see that the provisions of the Financial Agreement are complied with—the Chairman of the Commission is the Chief Justice of the High Court—and the only way in which the States can obtain relief is by amending the Agreement.

Under the proposed amended agreement, the cost in the first year will be very little in excess of the present cost, despite the fact that our sinking fund contribution will be trebled—from 5s. per cent. to 15s. per cent. Part of the arrangement under this new agreement is a reduction in the interest rate from 1¼ per cent. to 1 per cent. which the Commonwealth Bank is prepared to make if the agreement is amended, also to the reduction in the total amount of the bills. The State will make a sinking fund payment of ¾ per cent. instead of ¼ per cent., the Commonwealth continuing to make a contribution of ¼ per cent. as it has been doing previously. As I have said, the total debt on Treasury bills in Australia is to be reduced by £10,000,000. From our own funds we are required to find £250,000 for the redemption of Western Australian Treasury bills, while our share of the £3,000,000 to be found by the National Debt Commission for bill redemptions on account of past contributions to the sinking fund is £335,000. The bills which we shall have to repay under the proposed new arrangement will amount to £5,390,000—a reduction of £585,000 on the amount now owing. The new arrangement will involve the State in a payment of 1 per cent. interest on the reduced debt of £5,390,000, which will amount to £53,900 per annum, and ¾ per cent. sinking fund which will amount to £40,425, making the total payment this year of approximately £94,000, as against the approximate rates which we have been paying.

The Government is satisfied that the amended agreement is a reasonable solution of a difficult problem, and I feel sure it will commend itself to members. Provision is also made in the amending Financial Agreement, which Parliament is being asked in this Bill to approve, that the sinking fund contributions prescribed by the Financial Agreement shall be calculated on the basis of the mint par of exchange prevailing on the 1st July, 1927, that is, the date from which the original Financial Agreement took effect. When the Financial Agreement was entered into in 1927, Australian and sterling currencies were at par, that is to say, the Australian pound was the equivalent of the pound sterling. By January, 1931, the

Australian pound had depreciated to the basis of £130 Aust. = £100 sterling. This was, in December, 1931, varied to the rate £125 Aust. = £100 sterling, and this latter rate has been maintained unaltered since that date. During that period the exchange rate between London and New York has fluctuated considerably.

These variations in the exchange rate between Australia and London and New York were never contemplated when the Financial Agreement was entered into, and contributions have throughout the whole period, from the 1st July, 1927, to date, been made on the basis of the mint par of exchange as existing at the commencement of the agreement. Legal opinion has now been received to the effect that in respect of the new loans raised after the 30th June, 1927, sinking fund contributions in respect of oversea debt should be calculated in the currency of the country in which the loan was raised or its equivalent in Australian currency converted at the current rate of exchange at the time the payment is due. The contributions actually paid, as I have explained, are not in accordance with this opinion. With respect to the chairman of the Loan Council, the amending Financial Agreement also makes provision for the member representing the Commonwealth to be the chairman of the Council. Up to the present the Commonwealth representative has been made chairman of the Loan Council by resolution of the council itself. The amending Financial Agreement makes this a statutory provision.

Dealing with the method of compilation of loan programmes, the Financial Agreement prescribes that the Commonwealth and each State shall from time to time submit to the Loan Council a programme setting forth the amount it desires to raise by loans for each year. In actual fact it has not been practicable to relate the borrowings during a particular year to the actual loan expenditure in that year. Public loan raisings must be arranged at convenient intervals, and it has been customary for moneys to be borrowed towards the end of each financial year sufficient to meet the requirements during the early part of the new financial year until a further loan raising becomes practicable. This procedure is not strictly in accordance with the Financial Agreement, and it is now proposed in the amendment that the loan programmes to be submitted by the various Governments shall be the programme of amounts desired to be raised during each year and not loans raised for each financial year. This involves no alteration of procedure but merely brings the provisions of the agreement into line with the present practice.

Turning now to the loan allocation formula, the Financial Agreement authorises the Loan Council to determine each year the amount of money which shall be borrowed to meet the requirements of Governments and to allocate that total amount by unanimous decision amongst the Governments concerned. If the members of the Loan Council fail to arrive at a unanimous decision as to this allocation, the total amount borrowed is required to be allocated in the following manner:—

(a) The Commonwealth to be entitled to one-fifth of the total or such lesser amount as it desires.

(b) The balance to be distributed between the State Governments on the basis of the average annual "net loan expenditure" during the preceding five years.

Up to the present it has always been possible for the Loan Council to arrive at a unanimous decision in regard to the allocation of the total annual loan borrowings but, in the event of the formula being applied at any time, the question would inevitably arise as to the inclusion or otherwise in the term "net loan expenditure" of amounts applied from loan borrowings during the preceding five years for the purpose of financing State revenue deficits. This matter was recently considered by the Loan Council, and it was decided to recommend to the various Governments that the Financial Agreement be amended to provide that the term "net loan expenditure" shall not include expenditure for the funding of revenue deficits or to meet revenue deficits. All Governments have agreed to this proposal and it is incorporated in the amending Financial Agreement for which approval is now sought.

Hon. H. Seddon: I take it the idea would be to exclude the deficit borrowings and then make the allocation.

The CHIEF SECRETARY: Yes. The money raised to finance the deficits is not included in the term "net loan indebtedness." Otherwise there would be unfair distribution between the States, because the States that had incurred fairly heavy deficits and had raised money to meet them would show

a much higher loan raising than would the other States. In the immediate post-war period, it is anticipated that relatively large sums will need to be included in the annual programmes of the various Governments for the purpose of financing projects for post-war reconstruction, such as housing, soldier land settlement, etc. The arrangements that may apply in connection with the implementation of these post-war schemes may possibly be such as to render it inequitable for such borrowings to form the basis of allocation of the programme of future years. Moreover, transactions have occurred in the past which the Loan Council has agreed should not be regarded as expenditure for the purpose of the formula for allocation of annual loan raisings.

In accordance with the recommendation of a recent conference of Commonwealth and State Ministers, provision has now been made in the amending Financial Agreement which will enable the Loan Council by unanimous decision to declare that any specified amount or class of expenditure shall not be included in "net loan expenditure" for the purpose of the clause in the Financial Agreement which provides for allocation on the basis of the formula in the event of the Loan Council failing to reach a unanimous agreement. There are other alterations covered by the amending Financial Agreement, such as voluntary contributions to the sinking fund, and the use of sinking fund moneys to redeem unconverted stock in cases where loans are converted at a discount, these being designed to remedy existing defects.

Members at first glance might conclude that the Bill is somewhat involved, but on further examination the position becomes clear, and in view of the fact that all the States and the Commonwealth have unanimously agreed to these amendments, I feel sure this Chamber will take no exception to them. The Bill will certainly have the effect of putting right something that apparently has not been strictly in accordance with the Financial Agreement, more particularly the deficits which were incurred during the depression years, for which the States have been paying a very low rate of sinking fund instead of 4 per cent. as provided in the Financial Agreement. I trust that the measure will meet with the approval of the House and move—

That the Bill be now read a second time.

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

BILL—MOTOR VEHICLE (THIRD PARTY INSURANCE) ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER [9.50] in moving the second reading said: During last session Parliament passed the Motor Vehicle (Third Party Insurance) Act, which imposed upon owners of motor vehicles the obligation to insure against liability in regard to deaths of or bodily injuries to third parties, arising out of the use of such vehicles. During the debate on the legislation an undertaking was given that, in the event of the passing of the Act, it would not be proclaimed until a satisfactory schedule of premiums had been recommended by the Premiums Committee which was constituted under the Act. The Act provides that the Premiums Committee shall comprise the Auditor General as chairman, the manager of the State Government Insurance Office, two persons being owners of motor vehicles, one of whom shall be resident outside the metropolitan area, and two persons representing approved insurers other than the State Government Insurance Office.

The report of the Premiums Committee was received on the 31st March, 1944, and, after full consideration by the Government, and having regard to the fact that the schedule can be amended from time to time as the result of proved insurance experience, the schedule was accepted and gazetted. A copy of the report was laid on the Table some time ago. The Act was proclaimed in the "Government Gazette" of the 12th May, 1944, to come into operation as from the 1st July, 1944, that being the commencement of the licensing year. Bearing in mind that there are 130 separate licensing authorities in this vast State, it will be understood that after the gazettal of the proclamation, the preparation and printing of regulations, issue of notifications and advices to the licensing authorities had to be expedited. However, very little real difficulty was encountered, thanks to the co-operation of the licensing authorities, the State Insurance Office and other approved insurers, the Royal Automobile Club and the motorists themselves. Experience has, however, demon-

strated the desirability of amending several sections of the Act for the purpose of clarifying certain provisions, removing administrative difficulties, and bringing some of the main principles more into line with those now operating in the States of South Aus-Australia, Victoria and New South Wales to facilitate post-war reciprocal acceptance of policies. It is to achieve these aims, therefore, that this Bill is submitted.

The first amendment deals with the definition of "motor vehicle," the proposal being to bring caravans, trailers and semi-trailers within that definition, thus making it clear that it is legally necessary to insure them. This will permit the Premiums Committee to fix premiums for these attachments. Under the schedule of premiums approved by the Premiums Committee a fee of 5s. was prescribed, there being no authority to prescribe a premium. It is possible for personal injury to be inflicted by such attachments either when attached or when they become accidentally unattached whilst in motion. It is therefore necessary to make the position legally clear, and that is what the proposal in the Bill seeks to do.

The Act in its present form requires that, in order that a motor vehicle licence may be issued under the Traffic Act, the application for the licence shall contain a statement by the owner that there is in force, in relation to the vehicle, a policy of insurance which shall have effect throughout the currency of the term of the licence. The owner is further required to produce and lodge with the application a certificate to this effect given by an approved insurer. While these provisions occasioned no difficulty in the metropolitan area, it was found impracticable to obtain the necessary statement from owners of vehicles in the country districts, where the majority of licences are renewed by post. In these circumstances it is proposed by the Bill to waive this requirement, although of course the production and lodgment of the certificate of insurance will still be insisted upon.

There is a proposal in the Bill which sets out that documentary evidence of insurance, other than the prescribed certificate issued by the approved insurer, may be accepted by a licensing authority. This alteration is suggested for the reason that a number of motor owners insure their vehicles for 12 months, whilst they only license them from quarter to quarter or half-yearly. In such cases fresh certificates cannot be insisted on from the insurers, but, under the amendment, other documentary evidence satisfactory to the licensing authority can be accepted. Another proposal in the Bill is that which provides that a policy issued in Western Australia shall indemnify the owner in respect of claims arising out of accidents occurring in any part of the Commonwealth. As members are probably aware, all States now have legislation providing for the compulsory third party insurance of motor vehicles. It is thought desirable, therefore, to achieve uniformity in respect to this important matter. Then again, in order that policies issued in this State shall be accepted elsewhere, it is necessary that the cover afforded thereby shall extend to certain relatives of the insured and other persons who are at present excluded, and to guest passengers in private vehicles who are also not covered by the provisions of the Act. In this connection there is a proposal in the Bill that these persons shall come within the scope of the Act.

South Australia was the first State to introduce compulsory third party insurance, and the restrictions in the Western Australian statute excluding relatives and guest passengers were adopted from the Act passed by that State. The later Acts of New South Wales and Victoria made no such limitations, and a recent amendment in the case of South Australia removes the original restrictions. The Premiums Committee and the Royal Automobile Club, realising the desirability of reciprocity between the States and, to that end, of effecting the greatest possible degree of uniformity in the main principles of the various Acts, are entirely in agreement with this proposal.

Another amendment is designed to clarify the conditions which apply in the case of the transfer of an insured vehicle from one owner to another. The fact that the statutory policy does not terminate in such circumstances but operates in favour of every person who acquires the vehicle during the period of insurance, is placed beyond doubt. There is also a proposal which provides for a statutory 15 days' extension of all policies. With all licenses expiring on the 30th June, it is evident that unless the Act is amended as suggested, there

would be a large number of uninsured vehicles on the road for several days at the end of the licensing year. The New South Wales Act contains a similar provision. Another proposal is that which defines the liability existing in cases where an employee owning a vehicle uses that vehicle in the service of his employer, with or without the knowledge and consent of the latter.

It is further proposed that, where the nature or extent of the cover given by an insurer is required to be altered by any amendment to the Act, the terms of all contracts of insurance then in force shall be deemed to be altered accordingly. The South Australian Act of 1943 includes such a provision, and by its operation insurers will be relieved of the necessity to recall current policies for endorsement. When it is borne in mind that there are in existence over 50,000 compulsory third party insurance policies, it will be appreciated that a considerable amount of inconvenience will thus be avoided.

There is also a proposal in the Bill which is inserted in order that any reference in the Act to the issue of a policy may be deemed to extend to and include the issue of a renewal of the policy. Commonly it is not the practice of insurance companies to issue new policies each year, and the relevant amendment will authorise the acceptance for the purposes of the Act, of the notice of renewal. The only other important proposal is that which increases from one month to one year the period within which a claim for damages suffered in an accident may be made. The present statutory period of one month is considered to be unreasonably short, since it could well happen that an injured person might not be in a fit condition to lodge a claim until some time had elapsed. The period allowed under the Workers' Compensation Act in such cases is 12 months, and it is considered only reasonable and just that a similar provision should be made under the third party insurance Act.

There are other provisions in the Bill, all of which are of a machinery nature. Most of the proposals I have mentioned serve to clarify the provisions of the existing Act, will remove difficulties of administration, and achieve uniformity in principle with similar legislation in other States. I trust that the measure will receive the full support of members, particularly those who use motor vehicles. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clauses 1 to 6—agreed to.

Clause 7—New section:

Hon. L. B. BOLTON: I move an amendment—

That in line 1 of paragraph (a) of Subsection (1) of proposed new Section 19A. after the word "be" the words "deemed to be" be inserted.

The Honorary Minister: What is the reason for the amendment? The words appear to be redundant.

Hon. L. B. BOLTON: I was asked to move the amendment.

Amendment put and passed.

Hon. L. B. BOLTON: I move an amendment—

That in line 1 of paragraph (a) of Subsection (1) of proposed new Section 19A. after the word "otherwise" the words "deemed to" be inserted.

Hon. L. Craig: Is the amendment necessary?

Hon. L. B. BOLTON: Yes.

Amendment put and passed.

Hon. G. FRASER: I did not hear the Honorary Minister make an explanation of Subclause (2). Would that exclude a claim for compensation by an injured person against an employer whose worker was using a vehicle without his knowledge, or would the compensation come out of the pool?

The Honorary Minister: The clause would protect the employer from any claim if the employee had no authority.

Hon. G. FRASER: That is the point I want to be cleared up. We have had many hit-and-run motorists of recent times, and payment of insurance has been refused because it was said the vehicle was being used without the employer's knowledge. I understand the Bill now covers everybody.

Hon. H. S. W. Parker: Does not the provision refer to an employee using his own vehicle for his employer's business without the employer's knowledge?

Hon. G. FRASER: I wanted to be sure that there would be no escape from a claim for insurance.

Clause, as amended, put and passed.

Clauses 8 and 9, Title—agreed to.

Bill reported with amendments and the report adopted.

BILL—COAL MINE WORKERS (PENSIONS) ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY [10.12] in moving the second reading said: During last session Parliament passed the Coal Mine Workers (Pensions) Act, which makes provision for the compulsory retirement on pension of coal mine workers at 60 years of age, the scheme to be financed from a fund to be contributed to by the mine workers and the Government. The Act came into operation on the 1st July of this year and one or two cases have arisen which make apparent certain weaknesses in the Act, and this measure is designed to remedy those matters. One of the cases was that of a mine worker over 60 years of age who continued as a mine worker and died on or after the 1st July, 1944, whilst still employed as a miner. Owing to the suspension of the compulsory retirement provisions of the Act, many miners have continued to work in the industry when over 60 years of age.

Of nearly 100 men who were over 60 years of age on the 30th June, 1944, only about 25 have retired. There are at least seven miners over 70 years of age and 20 over 65 years of age who are continuing at work. They are entitled to retire, and if the compulsory clause of the Act were proclaimed they would have to leave the industry. It is considered only reasonable that those mine workers or their dependants should not be penalised in the event of the death of the mine worker. His dependants should not be penalised by virtue of the fact that he has continued to work. I think most members will agree with that provision. There are one or two cases where men have retired from the mines and taken up other employment. Consequently with their pension, plus the amount of money they are earning in their employment, they are receiving considerably more than they are really entitled to and the second provision in the Bill is to deal with that aspect of the payment of pensions. We are providing means whereby that can be adjusted. In the case of a single man we are limiting his total earnings to £5 per week and in the case of a married man to £6 5s. per week.

Hon. L. Craig: Plus the pension?

The CHIEF SECRETARY: No, inclusive of the pension. I think the principle involved in the amendment will be approved by this Chamber. In the next amendment we deal with the question of borderline cases. Members will no doubt recall the long discussion we had when this particular matter was being debated previously in this Chamber. It is now considered necessary to amend the appropriate section by giving the tribunal power to cancel pensions where it is satisfied they have been obtained by improper means. We are providing for the tribunal to have power to cancel, if considered necessary on the evidence available, the pensions that have been granted. There is another amendment in the Bill providing that soldiers' pensions shall not be taken into consideration when dealing with the question of the pension to which a mine worker is entitled. Section 13 of the Act States—

> Any amount which a mine worker or his dependants has or have received, or upon application is or are entitled to receive from any invalid, widows, old-age or war pension, or as endowment under the Commonwealth Child Endowment Act, 1941, or, in the case of a permanently incapacitated mine worker under sixty years of age, from earnings derived or which might be derived from available employment of the nature referred to in Subsection (2) of Section seven of this Act in respect of any period for which a pension is payable under this Act, shall be deducted from the amount payable to him or them, as the case may be, as a pension under this Act.

We consider that war pensions should be entirely separate from any other consideration.

Hon. J. Cornell: That is the policy of the R.S.L.

The CHIEF SECRETARY: Naturally. We are providing in this Bill that the war pension shall not be taken into consideration when dealing with the question of the amount of pension to be paid under the provisions of the Act. The only other amendment is one dealing with the question of persons receiving less than the basic wage. There is a number of juniors employed in the mines and, under the Act, they are called upon to pay the same contributions as are paid by other mine workers. When

they do pay those contributions, they are entitled, if the occasion should arise, to full pension benefits. We are making provision in this Bill whereby there shall be a reduced contribution to go with a reduced pension. We are providing for half the contribution to be paid for half the benefits. When the time arrives that a particular worker is entitled to pay his full contribution the same as all other mine workers, his pension will also be increased. There may be a need for an actuarial calculation as to the amount the contributor will be entitled to on account of the lower contributions paid during the period he was receiving a lower wage. Those are the whole of the amendments in the Bill. I understand all have the approval of the parties concerned and I feel sure no objection will be raised to them by this House. I move—

That the Bill be now read a second time.

HON. W. J. MANN (South-West): I have pleasure in supporting the Bill, because I realise the amendments contained in it are necessary although in some respects they deal with matters that were never contemplated when the original measure was introduced. The Chief Secretary has stated the position very clearly and there is no necessity for me to cover the ground he has gone over. The figures he has given the House with regard to the employees in the mines over the pension age reflect very great credit on those elderly men who are really doing a war job. I know a good number of them, including some of those the Chief Secretary mentioned as being over 70 years of age, who feel that they would gladly give up work but do not do so because they realise the State needs as much coal as it can get. They are not carrying on merely because of the money they are earning; they are carrying on from a much more loyal point of view than that.

As the Chief Secretary remarked, in the event of their dying while so employed, their dependants would be penalised because they were not on the pensions fund. I do not think this House ever intended that such conditions should apply. A comparatively few men have gone out of the industry, some for health reasons and others because they felt that the heavy work in the mines was more than they could undertake. There has been plenty of room for them in other avenues of employment and they have accepted work elsewhere. Most of them are receiving reasonable and adequate remuneration. It was never intended, when the fund was established, that it should be drawn on for pensions for men like that and consequently the amendment proposed in that connection is quite reasonable and just. The men themselves agree that so long as they are earning in that way they should be recognised as not being eligible to draw the amount the Act would otherwise allow them. I have not heard a single expression of disapproval of this Bill and I think it may be taken that it is a measure the acceptance of which will make the Act more just and in keeping with what was intended.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and *passed.*

BILL—REDEMPTION OF ANNUITIES ACT AMENDMENT.

Second Reading.

Debate resumed from the 15th November.

HON. E. M. HEENAN (North-East) [10.29]: I applied for the adjournment of the debate in order to look into the Bill, but there is very little I have to say regarding it. There is an Act on the statute-book, No. 34 of 1909, concerning the redemption of annuities. All members know what an annuity is. It is defined as—

> Any sum of money payable periodically and charged on or issuing out of land, for a period exceeding a life or lives in being, and shall include any quit rent, chief rent, and rent charge; but does not mean or include a rent reserved on a sale or lease, or a rent made payable under a grant or license for building purposes, or any sum or payment issuing out of or charged on land not being perpetual.

An annuitant is a person, corporation, religious or charitable body or organisation to whom or to which the annuity is payable and the Act provides that in certain instances the land can be discharged from the annuity. The method of discharging it is by making application to a judge, who, provided certain con-

ditions are complied with, orders that the land be freed from this charge and the money invested in some suitable security to provide the income. This Bill simply aims to extend the powers of the judge in a way that I thought was already covered but Mr. Parker, who has had much more experience than I have in these matters, assures me there is some doubt on the point. That being so, I am satisfied that the Bill is in order. I support the second reading of the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and transmitted to the Assembly.

House adjourned at 10.35 p.m.

Legislative Assembly.

Wednesday, 6th December, 1944.

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

QUESTION—GOVERNMENT EMPLOYEES.

As to Industrial Awards and Agreements.

Mr. DONEY asked the Minister for Works:

(1) In what Government departments are the terms and conditions of employment not regulated by an award or industrial agreement?

(2) Are the employees of (a) the Agricultural Bank; (b) State trading concerns; (c) Fremantle Harbour Trust; (d) other harbour boards. (e) other Crown instrumentalities subject to industrial awards or agreements?

The MINISTER replied:

(1) Employees of all Government departments are regulated by Awards or Industrial Agreements.

(2) Yes.

BILL—GOVERNMENT EMPLOYEES (PROMOTIONS APPEAL BOARD).

Message.

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

BILL—CRIMINAL CODE AMENDMENT.

In Committee.

Resumed from the 1st November. Mr. Fox in the Chair; Mr. McDonald in charge of the Bill.

Clause 2—Reckless, negligent or dangerous driving:

The CHAIRMAN: Progress was reported on this clause, to which an amendment had been moved by the member for Brown Hill-Ivanhoe to strike out in lines 3 and 4 of Subsection (1) of proposed new Section 291A the words "whereby death is caused to another person."

Mr. MARSHALL: The Committee will agree that if we do not vote for this amendment, this measure will not be on all fours with some of the legislation quoted by the member for West Perth when introducing the Bill. As I pointed out when speaking on the last occasion, it appears that the Bill will give some privilege to motorcar owners and drivers. If the life of any person is taken by virtue of someone handling a car recklessly by speeding or driving in some other way dangerous to the public, it will be possible for that person to be charged under this measure instead of being charged with manslaughter as is the case today. I hope the Committee will not agree to the Bill at all because of its special characteristics. The member for West Perth has decided to endeavour to have the Bill recommitted with a view to altering it. I have conferred with him but he still insists upon leaving in the