ported to the metropolitan market. When the first six or eight tons of peanuts are marketed, they bring a fair price. Then the Queensland and Chinese nuts make their appearance on the metropolitan market, with the result that by the time the balance of the Munja peanuts are available, there is a glut, and reduced prices rule. That difficulty could be overcome if the crop could be marketed earlier so as to avoid the competition of the Queensland and Chinese nuts. If that could be done, the financial results would be much improved.

Progress reported.

House adjourned at 10.14 p.m.

Legislative Council.

Tuesday, 1st November, 1938.

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

ASSENT TO BILLS.

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

1, Geraldton Sailors and Soldiers' Memorial Institute (Trust Property Disposition).

2, Mullewa Road Board Loan Rate.

3, Pensioners (Rates Exemption) Act Amendment.

4, University Building.

QUESTION—SOLDIERS' INSTITUTE.

Lease to Australian Broadcasting Commission.

Hon. J. CORNELL asked the Chief Secretary: 1, What portion of the old Soldiers' Institute in Stirling Square is leased by the State Gardens Board to the Australian Broadcasting Commission? 2, What is the period of the lease? 3, What is the rental paid under the lease by the Australian Broadcasting Commission?

The CHIEF SECRETARY replied: 1, Exactly the same as the returned soldiers occupied. 2, Three years, with an additional two years' option. 3, £850 per annum.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT AMENDMENT.

Introduced by Hon. J. Nicholson and read a first time.

MOTION—WORKERS' COMPENSATION ACT.

To Disallow Regulation.

Debate resumed from the 27th October on the following motion by Hon. C. F. Baxter (East)—

That regulation No. 19, made under the Workers' Compensation Act, 1912-1934, as published in the "Government Gazette" on the 30th September, 1938, and laid on the Table of the House on the 12th October, 1938, be and is hereby disallowed.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [4.38]: The motion seeks the disallowance of regulation No. 19 made under the Workers' Compensation Act and published in the "Government Gazette" of the 30th September last. That regulation deals with the payment of weekly compensation to a worker totally or partially incapacitated for work as a result of injury. Although the First Schedule prescribes the amount of weekly compensation payable to an injured worker, the regulations have not previously required such weekly payments to be made as and when they accrue and be-

come payable. Because of the absence of such provision many workers have been forced into accepting inadequate lump-sum settlements.

In order to afford injured workers a greater measure of protection than has been provided in the past, we are now providing under regulation No. 19 that "where weekly payments of compensation are payable by an employer to a worker direct in accordance with the provisions of the First Schedule to the Act, the worker or his nominee shall, subject to due compliance by the worker of his obligations under the First Schedule, be entitled to demand from the employer, and receive in person from the employer or from the insurer of the employer, as the case may be, payment of such weekly payments of compensation weekly as and when each and every such weekly payment of compensation shall have accrued and become payable." The regulation further provides that where upon the demand of a worker or his nominee the employer or his insurer, as the case may be, fails or refuses to pay the weekly payment demanded, the employer shall be guilty of a breach of the regulations. Mr. Baxter suggested that the regulation would probably operate in an extremely harsh manner against employers. He said—

> It appears that even where an employer or an insurance company bona fide disputed his or its liability to pay weekly compensation, the employer would nevertheless be liable to prosecution under the regulation if it were ultimately held that payment should have been made.

That is the kernel of Mr. Baxter's opposition to the regulation. In reply to the hon. member I would emphasise that regulation No. 19 relates only to weekly compensation which is actually payable. Weekly compensation is payable only—(a) when liability is admitted, or (b) when the question of liability has been determined by the court. When either of these two things has happened, the regulation will render it obligatory on the employer to see that the worker who desires payment of compensation weekly is paid what is his due. That is all the regulation does. To envisage any circumstances under which an insurance company would withhold compensation after liability had been admitted, or when the matter had been determined by the court, is extremely difficult. Should an employer be prosecuted for a breach occasioned by an insurance company's default, it is safe to say the company would indemnify the employer for any expenses he incurred. This, however, is not a matter that can be dealt with by regulation. On the other hand we can ensure that an injured worker shall not be subject to the pleasure of an insurance company as to when he will be paid the compensation which is his due. Experience has proved that the regulation is necessary, and that it will not inflict any injustice or inconvenience on any employer, but will compel the careless employer to pay insurance weekly when it is rightly due. I therefore ask the House to reject the motion.

HON. H. S. W. PARKER (Metropolitan-Suburban) [4.44]: The regulation is, in a sense, quite reasonable and proper; but I am afraid that the powers-that-be that framed the regulation have not made inquiries from the State Insurance Office. When a man is entitled to his weekly allowance for some injury, what happens, not infrequently, is as I shall outline. I give an actual experience of mine. A man came to me and said, "The State Insurance Office will not pay." I asked, "Why not?" He replied, "Because they want me to go before a medical referee." Thereupon I went to the State Insurance Office and made inquiries. I said to the official, "Why will you not pay this man?" He replied, "We will not pay until he goes before a medical referee." I said, "You can take him before a medical referee." The official said, "Yes, I know we can; but if we do, we will have to pay the medical referee his guinea." "Well," I said, "pay the guinea." He said, "No. We are standing fast and he can take proceedings through the courts." That is the way in which, in this particular instance, the State Insurance Office insisted on that man going before the referee and paying the guinea. If this regulation remains, it will be a tremendous lever for the insurance companies. There may be instances where people have failed to meet their obligations, but I cannot see how the worker will be assisted if the employer or the insurance company is fined; because that is what the regulation means. It simply provides for the infliction of a fine for a quasi-criminal offence, and I cannot see how that will assist the worker. For that reason I shall vote for the disallowance of the regulation, although I fully agree that its intention is to ensure

every worker being paid his compensation on the nail.

The Honorary Minister: The regulation will make that a certainty.

Hon. H. S. W. PARKER: It will make certain that the State Insurance Office will cause the insurer to be fined. It gives the insurance company a lever to force the worker to go before a referee. The insurance companies will simply say to the worker, "You go before a medical referee." The worker will reply, "I have no money." The insurance company will then say, "Well, get your employer to pay the fee. We are not going to start the procedure for a medical referee. We will force you to go to him." As it stands, the regulation gives the insurance companies too great a lever against the insurers. I am not in favour of the regulation.

On motion by Hon. C. F. Baxter, debate adjourned.

BILL—RETURNED SAILORS AND SOLDIERS' IMPERIAL LEAGUE OF AUSTRALIA, W.A. BRANCH INCORPORATED (ANZAC CLUB CONTROL).

Received from the Assembly and, on motion by Hon. J. Cornell, read a first time.

BILLS (3)—THIRD READING.

1, Sailors and Soldiers' Scholarship Fund.

2, Basil Murray Co-operative Memorial Scholarship Fund.

3, Auctioneers Act Amendment.

Passed.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

Order of the day read for the resumption from the 27th October of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—STATE GOVERNMENT INSURANCE OFFICE.

In Committee.

Resumed from the 25th October. Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 2—Interpretation:

The CHAIRMAN: Progress was reported after Clause 2 had been partly considered.

Hon. H. SEDDON: I move—

That paragraph (a) be struck out.

I understand the paragraph was included so that personal accident insurance could be effected for workers not coming within the scope of the Workers' Compensation Act. It nevertheless empowers them to take out policies covering accident insurance.

Hon. E. H. ANGELO: I support the amendment; but, if it be not carried, I desire to amend the paragraph by adding certain words after the word "sickness."

The CHAIRMAN: You can do so on recommittal. Mr. Seddon may give way by agreeing to an alteration of the paragraph.

Hon. E. H. ANGELO: I would prefer Mr. Seddon's amendment to be carried. May I indicate the words I desire to add?

The CHAIRMAN: You can do so on recommittal.

The HONORARY MINISTER: I oppose the amendment, because, if carried, it will primarily affect a large number of the electors in Mr. Seddon's Province. For the welfare of the workers concerned, the retention of this provision is essential. Many miners who are excluded from the benefit of the Workers' Compensation Act are at present insured by their employers. In some instances the workers insure themselves, but more often the employers take out the insurance. If the amendment is carried, the effect will be that the employers will be unable to insure those particular workers in the ordinary course of their business by including them with the other workers in the pay sheets. The employers will have to take special steps to insure those workers either with the State Insurance Office or with some other insurance office. If the amendment is carried, a number of workers engaged in the dangerous mining industry will not be insured, since they would not come under the Third Schedule to the Act. Under the amending Bill, those men would be covered by the companies on the goldfields in

the ordinary course of business. The amendment would make the measure cumbersome and even unworkable, and the men now receiving a little above the limit would be uninsured. Therefore I ask the Committee to retain the paragraph. Mr. Seddon, during his speech on the Supply Bill, drew attention to the statement of assets and liabilities of the State Insurance Office appearing in the Auditor General's report, and suggested that the figure of £70,730 representing premium payments outstanding needed some explanation.

The CHAIRMAN: The Honorary Minister should make that explanation on the third reading.

The HONORARY MINISTER: I think I can connect it with the amendment. The State Insurance Office advises that about 90 per cent. of this amount comprises outstanding premiums due by mining companies, and that there is nothing abnormal in the position disclosed by the balance sheet. The explanation continues—

> Many mining companies, instead of paying their premiums in advance and adjusting their accounts at the end of a period, have made arrangements with the State office whereby they pay the exact amount of the premiums due at the end of the monthly, quarterly or, in a few cases, half-yearly period in respect of which they are covered. This means, of course, that at any given date there is always a substantial amount of premium income outstanding. The arrangement, however, is a convenience to the companies, who are thus enabled to make easy periodic payments, while the office takes care to protect itself by exercising a very careful discretion in the matter.

That discloses how the mining companies pay their insurance premiums. We could not reasonably expect the companies to pick out certain men and take out special policies for them.

Hon. H. SEDDON: With all respect to the Honorary Minister, I contend that my amendment will meet the situation. Undoubtedly the Bill does authorise the State Insurance Office to go outside the provision of insurance for workers' compensation and employers' liability, and the office could, and no doubt would, undertake personal accident insurance.

Hon. J. J. HOLMES: If the Workers' Compensation Act Amendment Bill is approved, the employer will be liable to pay premiums on all employees receiving up to £500 a year. Any man in receipt of £400 or £500 a year ought to arrange his own insurance. I am at a loss to understand how far we are drifting in this matter. The Honorary Minister, when moving the second reading of the Bill, told us on the authority of the Government Actuary that the State Insurance Office transacts only one class of business with the general public, namely that relating to workers' compensation. This Bill, I consider, will take us a long way beyond that. The present time is opportune to consider the position. The report of the Auditor General for 1936-37, page 65, stated that for the 11 years ended the 30th June, 1937, the premiums for general accident insurance amounted in round figures to £744,000, while the claims and medical expenses paid totalled £742,000.

Hon. H. S. W. Parker: Does that include working expenses?

Hon. J. J. HOLMES: I am coming to that point. Those figures disclose a difference of only £2,000. What the contingent liability is has yet to be discovered. In the same table we find that administration expenses and bad debts written off totalled £39,000. That total covers miners' diseases as well, but it is not my fault that I cannot dissect the figures. Thus, we are reaching a stage when inquiry appears to be justified. We are told that the State Insurance Office is doing workers' compensation business only. In my opinion we should stipulate exactly what class of insurance the Government may carry on. The clause proposes that the Government shall be entitled to continue any insurance being carried on at the commencement of the Act. That will be when the Act is proclaimed, not the present time. Therefore, if we pass the Bill, the Government between now and the proclamation of the measure may engage in any class of insurance.

The CHAIRMAN: Provision is not made for the measure to come into operation by proclamation.

Hon. J. J. HOLMES: Well, when assented to.

Hon. C. F. Baxter: The Government might have entered into new business since the 1st July last.

Hon. J. J. HOLMES: I cannot reconcile this Bill with the statement that the office is doing only one class of insurance, namely, workers' compensation.

Hon. E. H. ANGELO: I suggest that the Minister accept the amendment; otherwise

there is a chance of his losing the Bill. On the second reading, for which I voted, I indicated that I was prepared to validate past transactions, allow the Government to carry on the insurance of State employees and take part in workers' compensation business, but not as a monopoly. I wish to be satisfied on those points. The time has arrived to legalise the State Insurance Office because past transactions should be validated. We have been told that premiums to the amount of £70,000 are outstanding. Might that be due to the fact that the office has not been legalised? We shall have to legalise it, but I insist that the Government shall not be permitted to do other insurance work.

The HONORARY MINISTER: Mr. Holmes is making a last stand in the last trench.

Hon. J. J. Holmes: Not the last one.

The HONORARY MINISTER: The hon. member need not fear anything in the shape of snide business. The Government can be depended upon to keep its word.

Hon. L. B. Bolton: Do not Governments break their word?

The HONORARY MINISTER: No; there is a code of business observed in Government departments, no matter which party happens to be in power. The State Insurance Office was inaugurated in 1913, and the instructions from the then Premier, Mr. Collier, were that the office was to confine its activities to workers' compensation business. Those instructions have not been departed from. As to the possibility of a break-away such as Mr. Holmes foresees, there is no chance of the State office deviating from its original course, which has been rigidly maintained from the outset. I give Mr. Holmes credit for being under a misapprehension, and I can see where the misunderstanding has probably arisen. There are self-insurance, or internal Government funds relating to the insurance of certain risks—fire, marine and miscellaneous—in which the Government is the owner or controls the assets. These insurances are, however, quite independent of the State Insurance Office, though they come under the Government Actuary's control. No fire, marine or general insurances are arranged direct with the public. Though many such applications have been received, they have been definitely declined. The Committee need have no qualms about passing the clause as it stands. A worker may earn at the rate of more than £400 or £500 a year for a fortnight, but later he may earn wages that bring him well below the amount entitling him to compensation. If we make the position more difficult for such men to be dealt with, there is every possibility of many being legally entitled to compensation and yet, if the Bill be amended as suggested, being deprived of compensation because the employers will not insure them. To create difficulties that may result in employees being deprived of their just insurances is not reasonable. Many members representing goldfields constituencies can give first-hand information regarding the position of men in the mining industry who may be earning £12 one week and only £5 the next week. How would Mr. Seddon's amendment cope with that situation? Finally, we must ensure that these men are covered under the Third Schedule, but if Mr. Seddon's amendment be agreed to, they would not be covered in respect of occupational diseases.

[*Hon. V. Hamersley took the Chair*].

Hon. H. S. W. PARKER: The Honorary Minister's argument is extraordinary. I have never yet known of any company, employer or private individual voluntarily to insure workers except under the Workers' Compensation Act and to provide cover to the extent of the liability involved. I have not yet heard of employers insuring their workers against accidents that might occur outside the scope of their employment.

The Honorary Minister: The mining companies do that.

Hon. H. S. W. PARKER: The man might be playing football when he met with the accident.

The Honorary Minister: The companies insure them.

Hon. H. S. W. PARKER: Then those companies are deserving of much kudos for insuring workers against accidents incurred in their private capacity, because employers are not liable. I do not know under what power those companies could insure such employees.

Hon. J. Nicholson: They could not recover.

Hon. H. S. W. PARKER: No. I suppose a company could take out an accident policy and pay the premiums for a man because he happened to be a very good worker, but certainly there is no obligation, nor is there any power for the employer to cover a man who might meet with an accident out-

side the scope of his employment If the object is as the Minister suggests, there is no need for paragraph (a), which gives the right to the State Insurance Office to carry on ordinary accident insurance business. I could go to the office to-morrow and take out an accident policy as I have indicated.

Hon. J. Cornell: You would not be able to get such a policy at the State Insurance Office.

Hon. H. S. W. PARKER: According to this, I could.

Hon. J. Cornell: No.

Hon. H. S. W. PARKER: Then the Government does not want this provision in the Bill. Paragraph (b) reads: "In relation to liability of employers . . ." Thus the Bill already contains complete and full power for every employer to take out an insurance policy with the State office covering all his liabilities in respect of his employees.

Hon. A. Thomson: And that is all the Government should ask for.

Hon. H. S. W. PARKER: That is all the Minister asks for. I agree with the Honorary Minister and shall vote for the amendment.

The HONORARY MINISTER: Mr. Parker has given his legal opinion, and I have to rely upon the interpretation of the Crown Law authorities. It is a question whether Mr. Parker is right or the Crown Lawn authorities are right. If we examine the position impartially, we will acknowledge that the main point involved has relation to the insurance of men engaged in the mining industry. Why should the man who earns £2 or so above the prescribed rate one week be deprived of his compensation?

Hon. H. S. W. Parker: Will the mining company insure a man who is earning at the rate of £1,000 a year?

Hon. J. Cornell: Yes.

The HONORARY MINISTER: I do not know of many miners who are earning at the rate of £1,000 a year, but the mining companies will insure contractors who earn well over £400 a year

Hon. H. S. W. Parker: Are they not required to do so under the Workers' Compensation Act?

The HONORARY MINISTER: They are insured because, although they may earn more than the amount stipulated in the Act for a part of the year, they earn less at other times.

Hon. H. S. W. Parker: And do the companies insure men that they need not insure?

The HONORARY MINISTER: Yes, definitely.

Hon. H. S. W. Parker: But they do not have to pay in case of accident.

The HONORARY MINISTER: Yes.

Hon. H. S. W. Parker: Then that insurance is illegal.

The HONORARY MINISTER: The names of all the employees are included on the wages sheet, and among those covered are contractors who may earn £20 this week but only £5 next week.

Hon. J. M. Macfarlane: What do the shareholders say about it?

The HONORARY MINISTER: I should think the shareholders would desire the workers to be insured. We wish to cover men who are affected by occupational diseases, and not to exclude some merely because they earn temporarily at a rate above the amount stipulated in the Act.

Hon. H. S. W. Parker: What is the object?

The HONORARY MINISTER: I have pointed out the course followed in the past, and that will not be deviated from in future.

Hon. H. S. W. Parker: But the paragraph I quoted will give you power to do so.

The HONORARY MINISTER: If the amendment be agreed to, it will deprive a lot of men of their rights, although they should be covered.

Hon. H. SEDDON: The Honorary Minister's statement that the mining companies insure men regarded as marginal is correct. Some may be earning at the rate of £400 a year; yet for a portion of that period their earnings will amount to much more than that. In order to protect such men, their names are included in the wages sheets for insurance purposes. To meet that position, I have drafted an amendment that appears on the notice paper. The Honorary Minister said he had received a ruling from the Crown Law Department, and I think he should read it to the Committee. Obviously it must affect my amendment. I have been given to understand that my proposed amendment covers those who are regarded as marginal men in the mining industry.

Hon. J. CORNELL: I vacated the Chair so that I could take part in this debate which vitally concerns so many of my constituents. I am not much worried as to whether Mr. Seddon's or the Honorary Min-

ister's contentions are correct. My concern is rather for the effects of this legislation on the accrued rights of men who have been working in the mining industry for years. Mr. Seddon has outlined the position of contractors in the industry, and the Honorary Minister has correctly stated that the mining companies provide insurance cover for practically every employee on the mines. There is another section that should be covered. On two occasions, at the request of wives, I have made personal inquiries from the accountant at one of the mines where the husbands were employed. The men had risen from lower grades to positions as shift boss or supervisor. To-day they are turned down, but, although dusted, they are not suffering from tuberculosis. Those men were earning at the rate of £500 per annum, and the position is serious for such men when they are turned out of the mine and do not know whether they will receive any compensation. The accountant told me that they were covered, and would get whatever compensation was due to them, despite the fact that they were earning higher salaries than those prescribed in the Act. Whatever the Committee may agree to, I will not consent to anything that will take away the accrued rights of any worker, and I am particularly concerned about the interest of the "turned-down" men, whose position I have referred to.

Hon. J. J. HOLMES: The liabilities of the employer cease at £400 per annum and if any mine owner has paid compensation to a man over and above that amount, it was an act of grace. To tell us that we are taking away rights from these people is wrong.

The Honorary Minister: They have rights under the policy.

Hon. J. J. HOLMES: The liability finishes at £400. In giving more, employers have performed an act of grace.

Hon. H. S. W. PARKER: Under the law an employer is bound to pay certain sums to an employee on the happening of certain events. One such event is the meeting with an accident arising out of and in the course of his employment. Payment as a result of such accidents is called workers' compensation. If a worker receives injury coming within the provisions of the Employers' Liability Act, the employer is bound to pay certain amounts to the worker. Further, an employer is bound to pay to an employee certain amounts for injuries received in certain circumstances coming within the common law or the unwritten law. In process of time the insurance companies have said, "We will make a business of this and relieve you of this liability. We will indemnify you against any loss you may incur by virtue of the Workers' Compensation Act, the Employers' Liability Act, or under common law. You pay us certain premiums, and we will indemnify you against any loss for which you may be liable." Furthermore, the law says that an employer cannot insure a person unless he has an insurable interest. There exists a misconception that the Workers' Compensation Act is in itself an insurance to the workmen. It is nothing of the sort; it is not an insurance against accident. It provides purely and simply the right for the employee to obtain from the employer certain moneys on the happening of certain events, and the insurance company says that on the happening of those events, it will indemnify the employer against any loss thus sustained. We are told that the mining companies insure these men. Actually what the companies do is to go to the insurance company and say, "We will indemnify ourselves against all the claims which a workman may have against us on the happening of various events, and which the law compels us to pay." That power, I am quite prepared to give to the State Insurance Office. Paragraph (b) gives the whole of that power. If a mining company wants to insure one of its employees and is not bound by law to pay that employee in the event of an accident, the insurance company will not indemnify it. All that the insurance company says is, "We will pay what you are bound to pay. Paragraph (b) sets out distinctly what you are bound to pay, and we will indemnify you." That power I am prepared to give the State Insurance Office. I am not prepared to allow the Government to carry on the business that the clause will allow it to carry on through the State Insurance Office, because, with all due respect to the Government, there is the possibility of some one else being in control of the State Insurance Office in future.

The Honorary Minister: You are an optimist.

Hon H. S. W. PARKER: Perhaps I am a pessimist, because I believe we shall have to wait for the general elections. Power is

given in paragraph (a) for the office to carry on general accident business, and if that is accepted, any person could insure himself against ordinary accident and sickness. By all means let a man insure himself, but I am not going to allow the Government to have another State trading concern.

Hon. J. NICHOLSON: Apparently a departure is made from the usual course of insurance by private or public companies as we understand them. I gather from Mr. Cornell's remarks that something is done by the State Insurance Office to cover men who may be outside the scope of the Workers' Compensation Act.

Hon. J. J. Holmes: That explains the figures I have submitted.

Hon. J. Cornell: I do not suppose there are a dozen men on the Golden Mile that are affected.

Hon. J. NICHOLSON: It matters not. We are asked to incorporate the State Insurance Office and give it certain powers. Are we as a Parliament going to confer on the office powers that would be outside the scope of ordinary insurance offices? Insurance business is worked out on a scientific basis. Certain amounts are allowed for on certain risks. Those margins having been calculated, if we give to the State Insurance Office power to undertake business that an ordinary insurance office would not accept, we shall do something that will probably involve the office in a financial catastrophe. As Mr. Holmes explained, that is probably some explanation of the figures he quoted earlier in the sitting. I agree with Mr. Parker's statement. Insurance is recognised by the law as a contract of indemnity, and the insurance company is under an obligation to pay only that which the insuring person has actually lost. If I insure a house against loss by fire and then sell that house and omit to obtain a transfer or assignment of the policy, the purchaser cannot recover one penny piece from the insurance company, because the indemnity contained in the policy between me and the company indemnifies me against loss and not some other person, unless that person has been approved by the insurance company. Paragraph (a) proposes to empower the State Office to effect insurance—

Upon the happening of personal accidents (whether fatal or not), disease, or sickness or any other class of personal accident, disease or sickness.

That would cover not only the men subject to workers' compensation, but also those who, I understand from Mr. Cornell, may be drawing remuneration over and above the rate of £400 per year. If that is so, these men may be placed in a position of hardship, and no one wishes to see them suffer. As insurance is only a contract of indemnity, the State Insurance Office should be bound by the ordinary rules regulating insurance companies, and if a man is receiving more than the amount fixed by the Workers' Compensation Act, he should not be able to recover under this Act irrespective of any practice that has been in vogue. I strongly recommend that those cases to which Mr. Cornell referred should be closely investigated, and that the Crown Law Department should be consulted with a view to ascertaining exactly what the extent of this particular power would be. The only way in which effective insurance can be carried out in favour of those particular men would be for them to insure themselves. The rate that will be charged will probably be heavy, but in the circumstances the State office might be able to reduce it. The proper person to effect the insurance is not the mining company but the worker himself. I suggest that the Minister report progress so that the Crown Law Department's opinion on the amendment may be obtained.

Hon. H. SEDDON: Possibly the State Insurance Office may be undertaking a class of insurance that is really over and above workers' compensation for the reason that the office has been an illegal institution and therefore is not bound by rules.

Hon. T. Moore: By what rules are the others bound except the rules that they make themselves?

Hon. H. SEDDON: They are bound by the law. The position has been explained this afternoon. I should like to hear the views of the Crown Law Department on the point.

Hon. J. CORNELL: My desire is to approach the position from a common-sense point of view. Already we have had two ponderous opinions from lawyers, and we know that the companies to which Mr. Parker and Mr. Nicholson referred carry no risk. That is what is happening to-day in the mining industry. The Lake View and

Star Co., employs 1,000 men and the company insures the whole lot. This is what may happen: There are numerous shift bosses. A machine miner may be promoted to be a shift boss and then he would receive about £9 a week. On the next day or a month or three months later he may have to revert to his former position.

Hon. H. S. W. Parker: The companies are bound to insure.

Hon. J. CORNELL: They are not bound to insure any worker receiving more than £400 a year The actual position is that what is now done meets the convenience of the companies and is convenient for the State Insurance Office. It does not matter whether a man gets £12 a week: he cannot get any more compensation than the other fellow.

The HONORARY MINISTER: When amendments are put on the notice paper they are sent to the officers of the Crown Law Department and the notes for the Minister in charge of the Bill are prepared from the opinion that is given by that department. That has been done in this instance; but Mr. Seddon's amendment was not on the notice paper when the House last sat, and an opinion on it has not been obtained.

Hon. J. J. HOLMES: The Government has told us during the last 11 or 12 years that it did not want to do this business and that it was forced into it because the insurance companies would not take it. Now, under paragraph (b), it is proposed to engage in any class of insurance business. The Auditor General informs us in his report that the State Insurance Office, controlled by the Government Actuary, carries on the following classes of insurance:—Fire, marine, crop and motor vehicles, Government workers' compensation, other workers' compensation and employers' liability, and he goes on to point out that in January last arrangements were made to insure ships controlled by the State Shipping Service. The State Insurance Office was started for a specific purpose, namely, to cover a particular class of worker that nobody else would insure. I do not know where we are going to be landed.

Hon. H. SEDDON: As it is the wish of the Minister that my amendment should be submitted to the Crown Law Department. I suggest that the further consideration of it be postponed and that we deal with the remainder of the clause.

The HONORARY MINISTER: I am prepared to allow the amendment to be inserted without dividing the Committee so that the matter may be submitted to the Crown Law authorities.

Amendment put and passed.

[*Hon. J. Cornell took the Chair.*]

Hon. H. SEDDON: I move an amendment—

That in paragraph (b) a new subparagraph be inserted, as follows:—"(iv) compensation in accordance with the Workers' Compensation Act to an employee who is outside the scope of the Workers' Compensation Act in respect of injury suffered by him during his employment."

The Workers' Compensation Act covers not *only accidents*, but also diseases which Section 7 of that Act specifies. My amendment will bring within the scope of the State Insurance Office men who are suffering from industrial disease as specified in Section 7 of the Workers' Compensation Act.

Hon. H. S. W. PARKER: The amendment reads rather strangely. There is no legal obligation under the amendment, whereas paragraph (b) deals with legal obligations. Whatever the merits or demerits of the amendment may be, it cannot be inserted in paragraph (b).

The HONORARY MINISTER: I do not oppose the amendment.

Hon. J. NICHOLSON: I hope the Honorary Minister will lay the matter before the Crown Law Department.

Hon. A. Thomson: If the amendment is outside the scope of the Bill, how can it be introduced?

Hon. J. NICHOLSON: It can be introduced by a separate amendment giving a certain power to employers to effect insurance of workers outside the scope of the Bill. The Committee will need to bear in mind whether it is wise to give employers that power. We are all anxious to protect workers who are drawing more than the amount covered by the Workers' Compensation Act, but the amendment might not cover them. Under it there is no real contract of indemnity, and very express power will be needed to enable this to be done. The foundation of the insurance is that it is a contract of indemnity, and there is nothing to indemnify in the case of a worker drawing more than £400 a year. I do not oppose the amendment, but I draw attention to that

aspect in order that it may be considered on recommittal.

Hon. G. W. MILES: I suggest that the Honorary Minister report progress and obtain the opinion of the Crown Law Department; or else the clause might be postponed.

Hon. J. J. HOLMES: The amendment refers to something just struck out of paragraph (a). In fact, it amounts to absolutely the same thing phrased differently. The mining industry might be able to bear the costs involved in the amendment, but they are such as no other industry could carry; and we are legislating for all industries.

Hon. E. H. ANGELO: When you, Mr. Cornell, were speaking from your place a little while ago, you said that only about 12 men were affected.

The CHAIRMAN: I interjected that about 12 men were affected on the Golden Mile.

Hon. E. H. ANGELO: For the sake of so small a number of men we are asked to alter an Act affecting the whole State. It would be no great hardship for the mine owners to obtain separate insurance for those men. Really the men should insure themselves; but if the mine owners are so kind-hearted as we are told, they could effect the necessary insurance with dozens of life assurance companies.

Hon. H. Seddon: They could not insure in accordance with the schedule.

Amendment put and a division called for.

The CHAIRMAN: I give my vote with the ayes, not on the merits of the question but for the reason that the Honorary Minister, on the previous amendment, called off a division on the understanding that Mr. Seddon's amendment would be inserted and the whole matter submitted to the Crown Law Department for its opinion.

Hon. J. J. Holmes: What has that got to do with the case?

Division resulted as follows:—

Ayes	12
Noes	10
Majority for	2

AYES.

Hon. C. F. Baxter	Hon. T. Moore
Hon. J. Cornell	Hon. H. V. Piesse
Hon. J. M. Drew	Hon. H. Seddon
Hon. E. H. Gray	Hon. A. Thomson
Hon. W. R. Hall	Hon. C. H. Wittenoom
Hon. W. H. Kitson	Hon. E. H. H. Hall (*Teller.*)

NOES.

Hon. E. H. Angelo	Hon. G. W. Miles
Hon. J. A. Dimmitt	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. S. W. Parker
Hon. J. J. Holmes	Hon. G. B. Wood
Hon. J. M. Macfarlane	Hon. L. B. Bolton (*Teller.*)

PAIRS.

AYES.	NOES.
Hon. E. M. Heenan	Hon. J. T. Franklin
Hon. C. B. Williams	Hon. H. Tuckey
Hon. G. Fraser	Hon. W. J. Mann

Amendment thus passed.

Hon. H. SEDDON: I move an amendment—

That the words "For the purposes of Section 6 of this Act the term also includes all other classes of insurance business which, prior to the commencement of this Act, the State Government Insurance Office, as carried on prior to the commencement of this Act, had engaged in, carried on and conducted" be struck out.

The purpose of the amendment is to limit the activity of the State Government Insurance Office to workers' compensation and employers' liability, and to take away its right to deal with any other kind of insurance.

Hon. H. S. W. PARKER: Again I am inclined to vote against Mr. Seddon. The words the hon. member wishes to strike out are essential. I think it is right to legalise any business done by the State Government Insurance Office up to the present.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. H. S. W. PARKER: Clause 6 must be read in conjunction with the paragraph. The definition of "insurance business" will include such policies as are already in existence until their expiration. I am of opinion that the words should be retained. Perhaps a slight error has been made in printing the Bill. The words should start a new paragraph—paragraph (c); otherwise they appear to be a qualification of paragraph (b).

Hon. E. H. ANGELO: I have considered the clause and agree with Mr. Parker. The words should be retained, as they are necessary in view of Clause 6. As Mr. Holmes has pointed out, the State Insurance Office has carried on many kinds of insurance, such as hail and fire insurance, which business has been done for the Agricultural Bank. If the words are deleted and Clause 6 retained, those policies will become invalid.

Hon. H. S. W. Parker: There will be no definition of "insurance."

Hon. E. H. ANGELO: The words were deliberately inserted to allow existing

policies, such as I have mentioned, to continue until their expiration. Then, under the Act, if the Bill passes, those policies could not be renewed.

Hon. H. Seddon: Where do you find that?

Hon. E. H. ANGELO: That is the opinion of one of our leading K.C.'s to whom I referred the matter.

Hon. H. SEDDON: The State Insurance Office has undertaken fire and hail insurance for the Agricultural Bank. My wish is to confine the Bill to workers' compensation and employers' liability insurance. To delete the words suggested would restrict the activities of the State Insurance Office. Clause 6 provides that existing policies shall continue. I see no reason why Clause 6 cannot stand by itself.

Hon. J. J. HOLMES: If the provision is deleted, the State Insurance Office will be able to continue the insurance business which it has carried on hitherto.

Hon. H. S. W. PARKER: A later paragraph is important, because at present the State Insurance Office cannot enforce its contracts. Clause 6 merely gives the State Insurance Office the right to sue for premiums. All through Clause 6, the words "insurance business" are used. The paragraph defines what insurance business means. I think it right that the words should remain.

Hon. J. NICHOLSON: The words proposed to be struck out relate to Clause 6. If we put the words in a separate paragraph of Clause 2, the result will be, unless some qualifying words are added, that the State Insurance Office will be enabled to carry on other classes of insurance. It is not intended that the State Insurance Office shall engage in other general insurance business. Apparently, from what has been said, the office has been engaging in forms of insurance other than workers' compensation insurance.

The Chief Secretary: Only with respect to property in which the State is interested.

Hon. J. NICHOLSON: To enable the State Insurance Office to carry out other classes of insurance, a further paragraph would have to be inserted in Clause 2.

Hon. T. Moore: It would be only fair to do that.

Hon. J. NICHOLSON: It may be necessary to insert some qualifying words in Clause 6, because that has a validating power. I consider the words proposed to be deleted unnecessary for the purposes of Clause 6, unless the State Insurance Office is allowed to carry on other classes of insurance business. The intention should be expressed in a different way. I shall certainly vote in favour of the amendment.

Hon. T. MOORE: Mr. Parker inferred, by interjection, that we did not desire the State Insurance Office to carry on certain classes of business it has undertaken for the Agricultural Bank. I do not know whom Mr. Parker means by "we"—I take it he is referring to insurance companies. The insurance companies desire to secure all that business for themselves. The Committee, however, should be fair. The Agricultural Bank is a Government instrumentality, and so is the State Insurance Office. Big industrial businesses have provided their own insurance funds. That being so, why should not the Government do so? I ask the Committee to give the State Insurance Office power to undertake such business as it has undertaken for the Agricultural Bank. As I said by way of interjection, that would be only fair. I have heard no argument to the contrary. I appeal to country members to consider that aspect. Our desire is that the clients of the Agricultural Bank should have their insurances effected at the lowest possible rate.

Hon. G. B. Wood: Do you think the State Insurance Office will cut rates lower than they are now?

Hon. T. MOORE: As a matter of fact, the rates are too high. Country members know that until we induced one outside company to reduce rates, the farmers were heavily penalised in the amount they had to pay for insurance premiums.

Hon. E. H. Angelo: For crop insurance?

Hon. T. MOORE: Yes, and hail insurance. That was one of the big loads the agricultural industry had to carry. The State office should be in a position to set a fair rate. Seemingly the Committee is prepared to give the State office only that business which the companies do not want.

Hon. J. J. HOLMES: The Auditor General's report shows that the premiums for crop insurance and State farms amounted to £165 16s. 5d.

Hon. L. B. Bolton: Much more than that was paid out.

Hon. J. J. HOLMES: Presumably. This is a part of the insurance business that the State office is not concerned about, and I do not see why we should force it on the State office.

The HONORARY MINISTER: The desire is to validate past transactions, and unless the words are retained, that will be impossible. Those words will not authorise the State office to engage in new business of any kind other than personal accident and in relation to the liability of employers for the payment of compensation to workers or their dependants. I have explained that no fire, marine or general insurances are arranged direct with the public, but the State office has covered those risks where the Government is interested as owner or mortgagee. Business of this nature should be validated, and accordingly I must oppose the amendment. Mr. Holmes was quite wrong in delving into the Auditor General's report.

Hon. J. J. Holmes: What else is it for?

The HONORARY MINISTER: The hon. member is astray in his deductions, and therefore his argument was hardly fair. The only insurance business the State office undertakes is that of workers' compensation and Government assets. Surely no member will argue that the State office should not insure Government assets! Every big business in the Commonwealth adopts that policy. The main object of retaining the words, however, is to validate past transactions.

Hon. H. SEDDON: There will be nothing to prevent the State office from undertaking departmental insurances as before. The State office's experience of hail insurance is rather a sorry one. Heavy losses have been made, and for that, if for no other reason, we should not give the State office that business. A subsequent amendment might be considered necessary to prevent the use of State funds to reinforce the State Insurance Office.

Hon. J. J. HOLMES: I could feel satisfied if the words were intended solely to validate existing policies, but I am convinced that they will give the Government a free hand to continue in the insurance business as heretofore. If I could read anything else into those words, I would support their retention.

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

Ayes	10
Noes	11
Majority against	1

AYES.

Hon. L. B. Bolton	Hon. G. W. Miles
Hon. J. A. Dimmitt	Hon. J. Nicholson
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. J. J. Holmes	Hon. G. B. Wood
Hon. J. M. Macfarlane	Hon. H. Seddon (*Teller.*)

NOES.

Hon. E. H. Angelo	Hon. T. Moore
Hon. C. F. Baxter	Hon. H. S. W. Parker
Hon. J. M. Drew	Hon. H. V. Piesse
Hon. E. H. Gray	Hon. A. Thomson
Hon. E. H. H. Hall	Hon. W. R. Hall (*Teller.*)
Hon. W. H. Kitson	

PAIRS.

AYES.	NOES.
Hon. J. T. Franklin	Hon. E. M. Heenan
Hon. W. J. Mann	Hon. G. Fraser
Hon. H. Tuckey	Hon. C. B. Williams

Amendment thus negatived; the clause, as amended, agreed to.

Clause 3—agreed to.

Clause 4—Government authorised to carry on certain insurance business:

Hon. H. SEDDON: I move an amendment—

That the word "any" before the word "insurance" in line 1 of Subclause 2 be struck out.

The deletion of the word will limit insurance business as described in Clause 2.

Hon. H. S. W. Parker. In any event it would be so limited.

The Honorary Minister: The amendment will not make any difference.

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

Clause 5—agreed to.

Clause 6—Prior transactions of State Government Insurance Office validated:

Hon. H. SEDDON: I move an amendment—

That the words "the nature of" in line 2 of Subclause 1 be struck out.

The HONORARY MINISTER: The words have a relation to paragraph (b) of Clause 2, and therefore I object to the amendment.

Hon. H. SEDDON: The inclusion of the words makes the clause wide enough to embrace anything within the definition of insurance business.

Hon. A. Thomson: Will not this merely validate such insurance as is already in force?

Hon. H. SEDDON: Yes.

Hon. J. J. Holmes: Validation does not prevent its continuance.

Amendment put and passed.

The CHAIRMAN: There will be consequential amendments in Subclause 2.

On motions by Hon. H. Seddon, Subclause 2 consequentially amended by striking out in line 1 the words "the nature of" and in line 8 the word "any."

Clause, as amended, agreed to.

Clause 7—Administration:

Hon. H. SEDDON: I move an amendment—

That in line 4 the words "Subsection 2 of Section 17" be struck out.

Subsection 2 of Section 17 of the State Trading Concerns Act reads:—

If the funds (including working capital) of any trading concerns are insufficient to meet requirements during the financial year, the deficiency may be provided from the appropriation "Advance to Treasurer."

We should safeguard the funds of the State and prevent them from being drawn upon should the State Insurance Office not live up to its obligations. The amendment will have that effect.

Hon. H. S. W. PARKER: I do not know what the position would be if the State office was unable to meet the demands upon it. To my mind, it does not matter two straws whether the words remain in the clause or are deleted.

Hon. H. Seddon: Where would the money come from?

Hon. H. S. W. PARKER: It must come from Government funds. Where else could it come from?

Hon. H. Seddon: That is the Government's business.

Hon. H. S. W. PARKER: State funds must be provided. Irrespective of whether the amendment be agreed to, the State will have to pay.

Hon. H. SEDDON: When we agreed to validate the operations of the State Insurance Office, there was no intention to incur a liability that would have to be met out of State funds. If the State office cannot stand up to its responsibilities, the sooner it ceases to function the better.

Hon. H. S. W. Parker: Quite true.

Hon. H. SEDDON: The amendment, if agreed to, will throw the responsibility on to the Minister in charge of the State Insurance Office to see that it pays its way; otherwise there will be trouble.

The HONORARY MINISTER: I suggest that the amendment be negatived. I will have inquiries made into this phase, and we can recommit the Bill for further consideration.

The CHAIRMAN: The amendment can be agreed to, and the clause recommitted for further consideration.

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

Clause 8—agreed to.

Clause 9—State Government Insurance Office to be deemed to be an approved incorporated insurance office for the purposes of the Workers' Compensation Act 1912-34:

Hon. H. SEDDON: I move an amendment—

That the clause be struck out and the following inserted in lieu:—"9. The State Government Insurance Office, as established by this Act, shall together with every bona fide incorporated insurance company now or at any time hereafter carrying on business in Western Australia be deemed to be an incorporated insurance office approved by the Minister within the meaning and for the purposes of section ten of the Workers' Compensation Act, 1912-1934."

Up to the present, the Government has not seen fit to approve of any outside insurance company for the purposes of the Workers' Compensation Act. Under the Bill, the State Insurance Office is to be deemed an approved office. Unless my amendment be agreed to, the Government could approve of the State office and not of any other. That would create a monopoly for the State office in this class of insurance business. We should prevent that and make it possible for any other insurance company to quote for business in competition with the State office. If the State has a monopoly, it can charge whatever rates it thinks fit.

Hon. H. S. W. PARKER: The clause is the most important in the Bill. Section 10 of the Workers' Compensation Act provides that it shall be "obligatory for every employer to obtain from an incorporated insurance office approved by the Minister a policy of insurance," etc. I believe every person should be bound to insure his employees under the Workers' Compensation Act and that such a provision should be strictly enforced. When the Workers' Compensation Act Amendment Bill is before us I propose to move to amend the Act by striking out of Section 10 the words "from an incorporated insurance office approved by the Minister." Section 10 will then read, "It shall be obligatory for every employer to obtain a policy of insurance." That will make it obligatory upon every employer to

insure his employees. Irrespective of whether that amendment is approved, I am prepared to delete Clause 9 of the Bill now before us. The effect of that course would be that the State Insurance Office would be not an incorporated office, but merely a State concern. If the Government did not agree to the suggested alteration in the Workers' Compensation Act, it could approve of the companies or otherwise as it liked. The State Insurance Office would have no right or power at all to any monopoly.

Hon. J. J. Holmes: It would have the same right as it has now. It could go on in the same old way.

Hon. H. S. W. PARKER: I am trying to point out that if the Workers' Compensation Act says that an employer must insure with an incorporated company, failure to comply with which will render the employer liable to a fine, then if a person insures with the State office, which is not an incorporated company, he will still be liable to a fine. In those circumstances the State could issue a policy to an individual and at the same time fine him for not having taken out a policy with an incorporated company. If Clause 9 is deleted, a person will not be able to insure with the State office unless he is equally able to insure with outside insurance companies, including Lloyds.

Hon. J. J. Holmes: Where do you get that from?

Hon. H. S. W. PARKER: From my reading of the clause.

Hon. H. Seddon: But what about the amendment to the Workers' Compensation Act?

Hon. H. S. W. PARKER: Assuming that the Workers' Compensation Act is not amended, and that Clause 9 of the Bill is deleted, the State Insurance Office cannot be an incorporated company.

Hon. H. Seddon: But Clause 7 says it will be an incorporated body.

Hon. H. S. W. PARKER: That does not make it an incorporated company. As the State Insurance Office is not an incorporated company, it cannot comply with the provisions of the Act. The position is that the Minister would not approve of any company and there would be an open go as at present. If Clause 9 is retained there is the danger, of which we are all afraid, that the Minister will approve of the State Insurance Office only.

The Honorary Minister: You know that that is not the intention.

Hon. H. S. W. PARKER: It may not be the Minister's intention, but he may have a successor who will do it—perhaps a Country Party Minister. If Clause 9 is deleted there is no danger of a monopoly for the State Insurance Office. Furthermore, the field will still be left wide open unless the Workers' Compensation Act is definitely amended to provide that insurance can be effected only with the State office. Such an amendment would doubtless not have a reasonable chance of passing this Chamber. I should like to see Clause 9 deleted and nothing put in its place.

Hon. L. B. BOLTON: I support the amendment. To retain the clause would be dangerous because, although the Minister may be right and the Government may not be likely to approve the State office as the only incorporated insurance office, it is possible for such a state of affairs to be brought about later on. If the clause is retained it will be risky for those people who are carrying their own insurance. Mr. Parker has said that when the Workers' Compensation Act Amendment Bill is before us, he intends to move an amendment to Section 10, but we are not sure that the Bill will reach the stage at which he will be able to move such an amendment. If that occurs we shall be in a very awkward position. I support the deletion of Clause 9 and the insertion of the new clause suggested by Mr. Seddon, which would enable outside insurance companies to compete if necessary. It does not follow that we shall have a change of Government, but there may be a new Government at an early date and it may favour having companies competing with the State Insurance Office. If Clause 9 is eliminated and the clause suggested by Mr. Seddon is substituted I will be satisfied. If the Workers' Compensation Act Amendment Bill reaches the Committee stage and we can amend Section 10, then let us do so. Whenever I have addressed the Chamber on workers' compensation I have suggested that provision should be made for those firms that find it absolutely necessary to carry their own insurance risks. Almost every timber company in this State, owing to the high premiums demanded, have, in their own interests, carried their own insurance and they are not the only ones. If the clause as printed is allowed to pass the State could

—I do not say it would—obtain an absolute monopoly of the business.

Hon. E. H. ANGELO: I would like to give members the benefit of an opinion I received from one of our legal luminaries, who told me that if the clause is retained, there is nothing to prevent the Government from making a monopoly of workers' compensation business.

Hon. J. J. Holmes: We do not need a K.C. to tell us that.

Hon. E. H. ANGELO: I know; but he also went on to say that if the clause is deleted there is still nothing to prevent the Government from creating a monopoly, and that the only possible way to prevent a monopoly is to ensure that the amendment to the Workers' Compensation Act suggested by Mr. Parker is effected. He also said that that amendment should be secured before we proceed with this Bill. I like Mr. Seddon's amendment.

The CHAIRMAN: Order! There is a Standing Order to the effect that any member can ask for an opinion given to and expressed by another hon. member—unless it is hearsay—to be laid on the Table of the House.

Hon. E. H. ANGELO: I was saying that I liked Mr. Seddon's amendment, but I ask members whether it would be acceptable to another place.

Hon. A. Thomson: Members there would turn it down.

Hon. E. H. ANGELO: Yes. What is the good of beating the air? We should urge the Minister to report progress and deal with the amendment to the Workers' Compensation Act Amendment Bill. If we pass that, we can carry on and let this clause remain. For the Government to say it is prepared to let others do this business is all very well. The Government may not be in office much longer, and we may have a Minister who views the position differently from the present Minister. If I thought Mr. Seddon's amendment would survive the other place I would vote for it. I urge that the Bill should be held up at this stage.

Hon. H. Seddon: Why do you suggest the amendment will not survive another place?

Hon. E. H. ANGELO: Because the Speaker refused to accept an amendment on similar lines.

Hon. H. S. W. Parker: Another place will not throw the Bill out.

Hon. E. H. ANGELO: It will throw this amendment out and object to the new clause.

Hon. C. F. Baxter: Let it object.

Several members interjected.

The CHAIRMAN: Order! Hon. members cannot anticipate a Bill on the notice paper.

Hon. E. H. ANGELO: That Bill has been discussed for a very long time and I am the only unfortunate individual to be pulled up. I voted for the second reading of this measure, but if the clause is not properly amended, I shall vote against the third reading.

Hon. H. V. PIESSE: I agree that we must be very careful before we pass this clause, for the deletion of which I intend to vote. If it were possible to hold up the clause until after consideration of the Workers' Compensation Act Amendment Bill, everybody might be satisfied.

Hon. T. Moore: Do you mean favourable consideration of that Bill?

Hon. H. V. PIESSE: Yes, there are many clauses that will be deleted, but there are also quite a number——

The CHAIRMAN: Order! Repeated references have been made to another Bill, the second reading of which has not yet been agreed to. The Committee is not supposed to know the details of the Bill.

Hon. H. V. PIESSE: We have had it before and have a fair idea of what it contains. I support the deletion of this clause and agree to Mr. Seddon's amendment.

The CHAIRMAN: The amendment is to strike out the whole clause and insert another. That cannot be done. The only way to delete the clause is to vote against it as printed. The hon. member can then move his amendment as a new clause.

The HONORARY MINISTER: If Mr. Drew had made the same statement as I have made he would be believed. I want members to take my word as they take his. There is a provision in the Workers' Compensation Act Amendment Bill that will meet the arguments raised.

The CHAIRMAN: Order! That cannot be discussed.

The HONORARY MINISTER: There is a proposed amendment that will meet the suggestion. Mr. Seddon's amendment is out of order because this Bill has nothing to do with outside companies. The clause should be retained.

Hon. A. THOMSON: I am rather surprised at the mistrust displayed by certain

members regarding this clause. I supported the second reading of the Bill because I strongly favour workers' compensation and personal accident insurance being entirely a monopoly of the State so that we might obtain the lowest possible rate.

Member: You would not get it. What is the use of talking like that?

Hon. A. THOMSON: When the Workers' Compensation Act was passed in another place we were told that workers' compensation insurance was compulsory. Now we know that is not so. Even if we agreed to an amendment to another Bill suggested by Mr. Parker, workers injured and not insured by employers who happen to be men of straw would not be protected.

Hon. H. S. W. Parker: Those people would be breaking the law.

Hon. A. THOMSON: Even though they broke the law and heavy penalties were provided, if they had no money, what compensation would an injured man obtain? That is why I have supported this measure. I am surprised at members, who possibly may have an interest in private insurance companies, putting up such a fight, especially after having read the evidence given to the select committee last year showing that workers' compensation was a losing proposition for the companies. Why then the opposition to the Government's handling it? We should be able to safeguard the people whose employers may not be able to meet their obligations. I am prepared to trust the Government.

Hon. H. SEDDON: The hon. member's argument regarding an employer not protecting his men will not be affected by the clause, but there is an objection to it from the standpoint of creating a monopoly. The State will be able to charge what it likes, and no one will be able to compete.

Hon. L. B. BOLTON: I am surprised at the inconsistent attitude of Mr. Thomson to State trading. Evidently he has forgotten the State's experience of State trading in past years.

Hon. E. H. Angelo: This is not State trading.

Hon. L. B. BOLTON: Oh, no! State trading was begun many years ago by a Labour Government that thought we were not getting certain commodities at the price at which they should have been sold. What happened? The Government opened butchers' shops and other trading concerns. Did the people get their commodities at any cheaper rate? I ask now whether the people will get insurance any cheaper. Of course not. As soon as insurance becomes a monopoly, premiums will be higher than ever. Take, for instance, the only State monopoly that exists to-day, that of prosecuting starting-price bookmakers. I notice that fines imposed to-day have gone up £5!

Hon. V. HAMERSLEY: I am in a dilemma. For a number of years I have paid a considerable sum for insurance. I am a member of Parliament, and if I were to go along and insure my men with the State office, should I be committing a breach of the Constitution? If I do not insure I shall be liable.

Clause put, and a division taken with the following result:—

Ayes	7
Noes	14
Majority against	7

AYES.

Hon. J. M. Drew	Hon. W. H. Kitson
Hon. E. H. Gray	Hon. T. Moore
Hon. E. H. H. Hall	Hon. A. Thomson
Hon. W. R. Hall	(*Teller.*)

NOES.

Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. S. W. Parker
Hon. J. A. Dimmitt	Hon. H. V. Piesse
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. G. B. Wood
Hon. G. W. Miles	Hon. E. H. Angelo
	(*Teller.*)

PAIRS

AYES.	NOES.
Hon. E. M. Heenan	Hon. J. T. Franklin
Hon. C. B. Williams	Hon. H. Tuckey
Hon. G. Fraser	Hon. W. J. Mann

Clause thus negatived.

New clause:

Hon. H. SEDDON: I move—

That the following be inserted to stand as Clause 9:—"The State Government Insurance Office, as established by this Act, shall together with every bona fide incorporated insurance company now or at any time hereafter carrying on business in Western Australia be deemed to be an incorporated insurance office approved by the Minister within the meaning and for the purposes of section ten of the Workers' Compensation Act, 1912-1934."

The HONORARY MINISTER: I should like your ruling, Mr. Chairman, as to whether the proposed new clause is in order. Has it anything to do with the State Government Insurance Office? Why should this House pass amendments when——

The CHAIRMAN: Order! The hon. member is out of order.

The HONORARY MINISTER: I should like your ruling as to whether the new clause is in order.

The CHAIRMAN: On what ground?

The HONORARY MINISTER: It deals with outside incorporated insurance companies which are foreign to the title of the Bill.

The CHAIRMAN: I rule the amendment out of order, but on a different ground altogether. By striking out Clause 1 the Committee has decided that the State office cannot be incorporated. Mr. Seddon's amendment proposes that it shall be.

Title—agreed to.

Bill reported with amendments.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th October.

HON. C. F. BAXTER (East) [8.46]: Following on its custom of introducing industrial legislation of a character which favours only one section of the community, the Government—with its tongue in its cheek—hopes to get away with a big bluff. Much of this type of legislation the Government is compelled to put up, and it does its job nobly. In the Lower House, where the Government has the numbers, all opposition is brushed aside or squashed flat, so to speak, by steamroller methods, and Bills are passed without bother or trouble. All that is part and parcel of a cunning political scheme. It is safe to assume that the Government hopes that the Council will reject a lot of its industrial legislation for a twofold purpose; firstly, because it does not desire that legislation itself, and secondly because it can flog the Council with a political whip.

Let me compare the treatments accorded to different sections of the community. A measure to deal with the wheat problem is classed as sectional, relatively to this type of industrial legislation. Let me point out that during the last six years the greater part of the time of Parliament has been taken up in considering industrial legislation. I say without fear of contradiction that in Western Australia industrial legislation is far advanced—though not more than it should be—as compared with legislation for other sections of the community, say the wheatgrowers. The industrial worker gets his full wage every week or every fortnight. He works under very good conditions a short working week, which is further shortened frequently. In fact, he is in a very happy position indeed as compared with other sections of the community. The unfortunate position of the wheatgrowers would justify, if anything would, the House in taking a strong stand on industrial legislation. This Bill is well in keeping with previous industrial Bills. I repeat, a Bill for the relief of wheatgrowers is classed as sectional. However, it is high time we had Bills in the direction of relieving the position of the farmers. What does the wheat industry mean to a State? Let us pass right through the history of any country and we shall find that its greatest sufferers are the farmers. The wheat industry is one that should receive special consideration, especially in respect of legislation which seeks to put more burdens on it. No industry distributes so much money as the wheat industry. It is one of the most important industries of Australia as a whole, and the most important industry of this State, providing as it does revenue for the Government and funds abroad. Yet there are those who say, "We want industrial legislation, but other legislation can be sidestepped."

In introducing the present Bill to amend the Workers' Compensation Act, it is apparent that the Honorary Minister was not fully conversant with his subject; otherwise his speech would have contained fewer inaccuracies. At the outset he stated that in the interpretation of "worker" the Act lays down that the term does not include any person whose remuneration exceeds £400 per annum. That statement is correct. But the Minister goes on to say that the corresponding amount in New South Wales is £750. Where he got his information from is a mystery. The correct figure is £550, and not £750. He goes on to quote that Victoria is the only State with a maximum below that of Western Australia. That statement also is wrong. In Victoria the figure is £400, the same as in Western Australia.

The important amendment as to compensation payments and medical expenses and benefits referred to by the Minister is the giving of £600 to the dependants of workers

who die as a result of injury sustained during the course of their employment, irrespective of the earnings of these workers. Surely the principle underlying this "important" amendment must be wrong. The Honorary Minister again gives incorrect figures on this point. He quotes that in Queensland the provision of a fixed amount of £750 is made. The correct figure is £600. In three out of the other four States, there is a range as in our present Act. In three out of the five States the maximum is £600. It is now proposed to raise the maximum in this State to £750. This "important" amendment, if passed, will certainly put a further heavy burden on our already overburdened industries. That is the important point. No attempt is made at increasing the amounts payable under the Second Schedule of the Act. Let us be thankful for that measure of consideration. We can therefore assume that the Government regards these amounts as adequate.

The example given by the Minister of differential treatment as between workers with poor or robust constitutions is not sound, and would bring about fallacies and confusion. Premium rates in this State are, by and large, much higher than those ruling in the other States. The Government proposes to amend Section 6, Subsection (3) of the present Act—which gives the right to deduct payments made during the period of incapacity from the compensation payable under the Second Schedule—by deleting this right of deduction altogether. The limits imposed in the Second Schedule may, under the present Act, be exceeded. This is clearly laid down in Section 6, Subsection (3). Under the Government's proposals, the Second Schedule would always be exceeded. Surely this is unwise in the light of the very liberal provisions of the present Act, which are much more favourable to the worker than are those in the Eastern States Acts. Hence our higher premiums.

Industry in Western Australia cannot stand much more in the way of added costs. With the exception of two clauses in the Bill that I shall deal with later—and Clause 6 is not one of those two—the Government proposals must bring about higher premiums thus adding to costs. Increased costs cannot, in many instances, be passed on. This may, or must, mean reduced employment.

The tenor of the remainder of the Honorary Minister's remarks goes to show that he is not much concerned with that aspect of the case. This is to be regretted. Hon. members know perfectly well that the burden on many of our industries is too great already. Yet, while crying out that we want more local industries and more production, we pile on additional burdens.

I shall deal with the Bill in two parts, indicating the provisions which are beneficial and those which are detrimental to the interests of the State at large and to industry in particular. Clause 5 lays down that every employer seeking cover from an insurance company shall truthfully state the amount of wages upon which his policy is based, and the premium payable, by giving the insuring company the right to demand a statutory declaration. No honest employer will object to this provision. Clause 7 provides that where a worker has been paid compensation by the employer, either voluntarily or otherwise, or even where proceedings have been taken by the worker against the employer for such compensation, this shall not operate to prevent him from proceeding to recover damages from such other person liable to pay damages. It also provides that where the worker is successful in his damages action against the stranger, the amount awarded and actually recovered by him may be levied upon by the employer for the purpose of recovery of any amounts paid by the employer to the worker in compensation under this Act, whether voluntarily or by order of the Court, and out of the amount of damages actually recovered by the worker the employer shall be reimbursed. At present a worker could not receive compensation from his employer and sue the stranger for damages; but the employer who suffered by reason of the negligence of the stranger, could, on his part, sue for recovery from the stranger. This new clause gives the worker the dual right of suing for damages as well as claiming compensation under the Act. Recent High Court cases have made it quite clear that the worker is to be made fully aware that he is receiving compensation and that he is exercising an election.

The Bill contains only two clauses that are necessary, and these are not of particular importance, after all. There are, however, other clauses that the House must consider very seriously. Every member must do his job. The Bill provides that the term "worker" does not include any person whose

remuneration exceeds £500 per annum. The Act now provides £400. The effect, of course, is to increase the scope of the Act and to bring more persons within its ambit. Employers will not willingly agree to such an extension because of the additional cost involved, unless some modification of the general principles of the parent Act is also effected, and that is not being proposed.

In reviewing the Bill, attention must be given to the startling effect of the introduction by the Commonwealth Government of National Insurance, the general cost of which to employers in Australia will, for the year 1939, be five and a half million pounds.

Hon. C. H. Wittenoom: Where is it coming from?

Hon. C. F. BAXTER: That is the trouble. Before that Act became law, the attention of the Federal Treasurer was drawn to the liberal terms of our Workers' Compensation Act, and his reply was that employers must not look to the Federal Government for any relief. He further said that constitutionally he could not make a distinction between States, the National Insurance Act being a taxing measure, and, finally, that in order to secure what appeared to him to be a justifiable relief, the employers should approach our own State Government and request an amendment to the Workers' Compensation Act. It has now been made clear that, under the National Insurance Act, an insured person is not entitled to claim benefits whilst he is receiving compensation payments. Employers will therefore view with grave alarm any extension of the benefits under the Workers' Compensation Act now that they are faced with such definite increases in costs under the National Insurance Act.

The Bill seeks to alter the present position of the injured worker under the Act in cases of proved negligence by an employer or his agent. The worker is to have the option either of claiming compensation under the Act or of taking proceedings independently of the Act, at his own election. The alteration suggested gives him the right to proceed independently of the Act and also to claim compensation under the Act. He could therefore institute proceedings in two different ways concurrently. The Bill retains the principle of the parent Act in that the worker cannot collect moneys from his employer under both procedures. It also provides that where a worker has claimed and received compensation under the Act he may only commence proceedings against his employer for any available civil remedy up to three months from the occurrence of the accident causing the injury, and should such civil remedy be successful, the amount of compensation already paid under the Act shall be credited to the employer and deducted from any amount adjudged due under the civil proceedings. A further proviso is that should he fail in his civil proceedings he shall not be affected or limited in his right to proceed with his claim for workers' compensation. Where no claim is made by the worker, and compensation has not been paid under the Workers' Compensation Act, the three months' limitation shall not apply.

It would be interesting to know the position if the worker proceeded with a common law action but did not recover the amount that he would have received had he made a claim under the Workers' Compensation Act. Could he claim compensation, deducting therefrom the amount recovered at common law? Would there be any time limit in which to make his claim and/or to commence action under the Workers' Compensation Act? Or would a worker be estopped from further proceedings under the Workers' Compensation Act? This clause is based on wrong premises, as recent High Court cases have made it quite clear that the worker is to be made fully aware that he is claiming compensation, and that in so doing he is exercising his right to an election between workers' compensation and damages at common law.

Clause 4 proposes to alter an existing practice to the detriment of the employer. A worker who, say, loses a joint of a finger and thus becomes totally incapacitated for one month, must receive weekly payments in compensation and, apart from that, all medical expenses up to £100. Under the Act, assuming that the worker received £3 10s. per week for four weeks, and assuming that the scheduled amount for his loss was £90, he would receive £90 less the £14 paid to him in compensation, but the cost of medical services would be paid on his behalf. By the Bill, the Government's intention appears to be to pay the £90, the £14 paid in compensation and all medical expenses incurred. This therefore means that the total amount of compensation will vary in accordance with the period of total incapacity of the worker occasioned by the injury.

Hon. J. A. Dimmitt: Would the worker have to pay the medical expenses in excess of £100?

Hon. C. F. BAXTER: Not necessarily. It would depend upon the period of incapacity. The proposal to delete the two provisos to Subsection (6) of Section 11 of the principal Act throws upon the primary producer the onus of ascertaining, on every occasion when he engages contractors for agricultural work, that the contractor's workers are covered by a policy of insurance and renders him equally responsible with the contractor to pay compensation to such of the workers in the employment of the contractor as may sustain injury during the course of their employment.

Hon. J. J. Holmes: To what clause are you referring?

Hon. C. F. BAXTER: Clause 6. While on this point, I may mention that during the Committee stage of the preceding Bill, the Minister referred to this Bill and said provision was made to put the position right. If I understood him correctly, the Minister was misinformed. He can look up the Bill and ascertain that for himself. Clause 6 provides—

> For the purpose of this section, the term "incorporated insurance office" includes any duly incorporated company carrying on insurance business in Western Australia under the provisions of the Commonwealth Insurance Act, 1932 (No. 4 of 1932).

The Honorary Minister interjected.

Hon. C. F. BAXTER: As I say, the Honorary Minister has been misinformed. Section 10 of the Workers' Compensation Act reads—

> It shall be obligatory for every employer to obtain from an incorporated insurance office approved by the Minister a policy of insurance for the full amount of the liability to pay compensation under this Act to all workers employed by him . . .

This would bring in other companies, such as Harvey, Trinder & Co., as incorporated companies, but it would not overcome the difficulty, because of the words "approved by the Minister." Clause 6 does not overcome that difficulty; whether it is intended for that purpose or not I cannot say, but I think it was intended for another purpose. It is of no use so far as the previous Bill with which we were dealing is concerned.

True, Sub-section (2) of Section 11 of the Act entitles the primary producer to be indemnified by the contractor. Should the Bill for the validation of the State Insurance Office become law, insurance will undoubtedly become compulsory. A specific provision was included in the principal Act to place the farmer, who is already severely burdened, in a different position from that occupied by other employers; otherwise a grave injustice would be done.

As an illustration, a farmer or pastoralist lets a contract for certain work. It may be for the erection of buildings, well sinking, fencing, droving or even clearing on a large scale. The principal in such cases has no control over the workers, who themselves may take unnecessary risks. He has no say in the use of any safety appliances which a responsible person might reasonably be expected to instal. In fact, shorn of responsibility in the matter, the contractor or sub-contractor may, for the purpose of saving expense, neglect to provide such appliances or to take ordinary care for the safety of the workers, well knowing that the responsibility for paying compensation can be passed on to the principal. Certainly, the farmer or pastoralist can, by the insertion of a clause in the contract agreement, deduct from the amount due under the contract the insurance premiums for the wages men employed by the contractor, but frequently the principal does not know how many men are engaged by the contractor, and if the amendment is passed the farmer or pastoralist may very often not be aware of the limit of his liability. The main point, however, is that the contractor who is directly responsible for the safety of the men should carry the liability. It certainly should not be carried by the principal who is not in a position to adopt ordinary safeguards against accidents to men over whom he has no control.

Hon. J. Cornell: If you let a contract for a building, you are liable.

Hon. C. F. BAXTER: That is quite different from the position of a farmer or pastoralist.

Hon. J. J. Holmes: A claim might be made against a pastoralist who has not been on the job.

Hon. C. F. BAXTER: Quite so, and the same remark applies to a farmer. The safety of the men is the chief objective; and if the contractor is relieved of his responsibility, there will probably be more accidents. At the present time, if the deceased worker leaves any dependants wholly dependent upon his earnings, an amount equal to the

sum of his past three years' earnings is payable, the minimum being £400 and the maximum £600.

Hon. J. Nicholson: Plus medical expenses.

Hon. C. F. BAXTER: Of course. The Bill proposes a straight-out payment of £750. This does not appear to be equitable, because it would place all workers, irrespective of their rate of wage, on the same financial basis, and of necessity must increase costs.

Hon. T. Moore interjected.

Hon. C. F. BAXTER: We hear a lot about minorities and majorities, but if a person is paying only 6s. 8d. a week rent, he may have a vote at elections for this House. Another objectionable part of the Bill is that a worker living in the suburbs and merely attending a specialist in Perth would have to receive the reasonable fares and expenses incurred in travelling to and from the specialist, and also a sum not exceeding 6s. per day or 35s. per week for meals. Endless arguments would ensue as to whether the worker necessarily incurred the expense for meals during the visit to the specialist. All this helps to increase the burden on industry.

Clause 9 extends the power of the clerk of courts by enabling him to call the parties before him for interrogation in relation to the agreement, and to require examination of the worker at the expense of the employer by a medical practitioner nominated by the clerk himself. The principle underlying this proposal is distinctly wrong. The intention is to hold a preliminary hearing previous to a court action and prejudice to both parties may occur. To what lengths shall we extend this legislation? There is also the objection that expense may be caused by frivolous examination by a country clerk not possessing the necessary qualifications for examining evidence, etc. The addition of the proposed words under paragraph (f) of Clause 9 would mean that during the first six months a case could not be regarded as finalised. For example, a worker thinking that he might do better for himself could compound for a lump sum under an agreement into which no question of fraud or undue influence entered, and would still be entitled to re-open the case if he found that the lump sum agreed upon was less than he would otherwise have received. It is notable that no provision is made for the employer by way of giving him the right to re-open the case within six months if the lump sum proved to be in excess of the amount that the worker would otherwise have received.

I have dealt fairly exhaustively with this measure and have shown that it is not going to meet the position as regards State insurance unless Clause 6 is amended. I have dealt with the other provisions to show that they will be detrimental to industry and will increase the imposts on industry. Are we to be continually improving all this industrial legislation while other sections of the community are drifting back and facing exceedingly difficult times? This House must protect the industries of the State, and not only the electors who we are so frequently told form a minority. Those people could command a majority if they took the trouble to become enrolled. I trust that members will realise the advisableness of treating the Bill as it deserves, namely, throwing it out on the second reading and thus protecting industries from these additional burdens.

Hon. H. Seddon: What about amending Section 10?

Hon. C. F. BAXTER: The question is whether we should pass the second reading for the sole purpose of approving that amendment, when another Bill could be introduced to that end. We should not deal with amendments that will not prove beneficial to the State simply for the sake of one that may be required.

Hon. J. Cornell: There are other clauses that might be accepted, but the Bill might be lost in transit.

Hon. C. F. BAXTER: A Bill was lost between the two Houses last session, just because of one amendment that any Government should have welcomed. I trust that the Bill will not pass the second reading. If it is amended as it should be, there will be nothing left but the title.

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

BILL—MARKETING OF EGGS.

Second Reading.

HON. G. B. WOOD (East) [9.25] in moving the second reading said: This is a Bill for the orderly marketing of eggs and egg pulp, and seeks to set up a board to control those products produced within the State of Western Australia. There are already on our statute-book various Acts similar to the measure I am moving. I regret the necessity for a private member having

to introduce this Bill. I have brought it in only because the Minister concerned has not stated his intention of introducing legislation, in spite of many requests from the organised poultry farmers—requests spread over a considerable number of years. I desire to stress the fact that this is in no way experimental legislation. As I have just stated, similar measures have been passed in this State to deal with dried fruits, dairy products and whole milk, and a Marketing of Onions Bill has been passed by another place this session. In Queensland, New South Wales and Victoria similar legislation to control the egg industry has been in existence for years; so I hope members will be convinced that this Bill, when passed, will merely serve to bring Western Australia into line with the States I have mentioned.

In Queensland the producers are so satisfied with the Egg Marketing Act that, although provision was made for periodical polls to test the feeling of the growers, the majorities in favour of continuing were so great that such polls are no longer held. From inquiries made when in Queensland recently, I understand that at the last poll 90 per cent. of the growers voted in favour of continuance. The same position exists in New South Wales. In Victoria the Act has not been in operation long enough for the taking of a poll.

In a country like Western Australia, which exports most of its products, we have to admit that a policy of collective selling is the only one to save some of our industries from ruin. The marketing methods of 20 years ago are not desirable methods to-day. Most producers are not satisfied that the profits made by middle-men are commensurate with the services rendered or the benefits received, and there is a suspicion that too many middlemen are living on the game. That applies not only to the egg industry, but to other industries. I do not mean to say that all agents are unnecessary, but it is generally recognised that there are too many middlemen making money out of our industries. I had an account sales given to me to-day from an egg producer in the hills. He sold 7s. 4d. worth of eggs.

Hon. J. Nicholson: How many dozen?

Hon. G. B. WOOD: Eleven dozen, and paid at the rate of 11 per cent commission. That consisted of 5 per cent. commission and 6d. account sales fee.

Hon. J. M. Macfarlane interjected.

Hon. G. B. WOOD: I am not concerned with the Sydney board charges, but 11 per cent. is too much. That is in addition to railage and cartage, which of course must be paid.

Hon. J. Nicholson: The Electricity Department has a minimum rate, and presumably the markets have a minimum rate.

Hon. G. B. WOOD: If a producer forwards three cases of eggs to market and one case is sold to-day, one case to-morrow and the other case the next day, an account sales fee of 6d. is charged on each case. I admit that on a large quantity of eggs the charge would not be heavy proportionately, but to have to pay 11 per cent. on 11 dozen eggs is far too much. I can assure the House that the Bill does not seek in any way to establish a price-fixing board. If, by improved marketing methods, growers are able to secure a better average net return, the consumers will be guaranteed better eggs and be assured that of every dozen eggs purchased, 12 will be edible. There was a time, it has to be admitted, when the housewife took it as a matter of course when buying eggs that at least 25 per cent. would be bad. I do not think that is the position to-day, but there is still room for improvement.

Queensland has displayed the greatest progressiveness in marketing legislation. In 1922 the Primary Products Pools Act was passed in that State, and it provides that the Governor-in-Council may, upon the advice of the Council of Agriculture, declare any grain, cereal, fruit, vegetable or other product of the soil in Queensland, or any dairy produce or article of commerce, a commodity for the purpose of the Act. Under that legislation boards have been established to deal with the following products:—Maize, pigs (in some districts), eggs, butter, peanuts, canary seed, arrowroot and cheese. It is interesting to note, as I pointed out before, that the producers and the consumers are well satisfied with the working of the boards established under the Act. In New South Wales the Marketing of Primary Products Act was passed in 1927. The Act can be made applicable to any product other than wool or dried fruits. As members are aware, the last-mentioned commodity is dealt with by means of separate legislation. Any board established under the Act in that State consists of not fewer than five members. Three represent the producers, and there

are two Government nominees—the Director of Marketing, who is a public servant, and a consumers' representative. A board similarly constituted is provided for in the Bill I am now presenting to members. The poultry producers operate under such a board in New South Wales, and all, so far as I could ascertain, appear quite satisfied with the result. More recently, Victoria passed its Egg Marketing Act, and the poultry industry there operates under a board similar to that functioning in New South Wales. Though the Victorian Act has not been in operation long enough to judge whether the majority of the producers will favour its continuance, from information received I have reason to believe the measure will be made permanent. In South Australia a voluntary organisation is in operation for the collective selling of eggs. This has proved a partial success, but the producers desire statutory control. In Tasmania an Act for the orderly marketing of eggs was passed by the Lower House, but was defeated in the Upper House by a narrow majority. I would like to quote to members the views of the Tasmanian Minister for Agriculture (Mr. Cosgrove). In the "Primary Producer," published in New South Wales, under date the 12th November, 1937, the following appeared under the headings, "Marketing Boards, Primary Producers to Have Control, Minister's Assurance"—

Referring to the proposed Marketing of Primary Products Bill, the Tasmanian Minister for Agriculture, Mr. Cosgrove, said that the Bill would give primary producers the right to determine whether or not they wanted boards. There was a definite tendency throughout the world to protect and assist the primary producers, he said, and that could be carried out more effectively by the legislation.

"I want to state emphatically that this Bill does not contemplate, nor does it mean that the Government shall have control of the marketing," the Minister said. "The marketing arrangements will be entirely in the hands of producers."

Marketing Acts on the lines of the Bill have been passed in Queensland, New South Wales and Victoria. In Queensland no board once set up had been voted out by producers.

I have mentioned what has taken place in the other States to demonstrate that Western Australia lags far behind them in marketing legislation, particularly with regard to the egg producers. I want to stress the importance of that section of primary production in Australia. The value of the eggs exported amounts to £1,000,000 per year, and the total production represents something like £9,575,000. The House will recognise that egg production represents a valuable asset for Australia.

Those associated with the poultry industry here shoulder heavy burdens in respect of some of the commodities they must buy. For instance, they have to pay £1 more per ton for bran and pollard than do South Australian producers, and Western Australian millers say that is because of the stabilisation scheme to balance the loss on the export of flour. I do not think it fair that the poultry producers should be required to carry so much of the burden, and what help Parliament can extend to them should be readily accorded. I have a few interesting figures comparing the position in Western Australia with that obtaining in Queensland. In the northern State the total production is valued at £555,000, and, after meeting marketing and other costs, the industry finishes up with a net surplus of £299,000. In Western Australia our production is worth about £600,000 but that dwindles down to £220,000 when all expenses are met. Thus, although Queensland produces £50,000 worth less in the gross, the poultry producers there secure a net return of over £79,000 in excess of that reaped by the growers in Western Australia, where the industry is conducted in such a haphazard way.

On two occasions in this State egg marketing Bills have been introduced in another place. It is interesting to note that on the first occasion the second reading was defeated by two votes, and the next time the second reading was carried on the casting vote of the Speaker. The unfortunate thing was that on both those occasions the Bills were made the playthings of party politics. That assertion is borne out by the fact that altogether 32 members of the Lower House voted for the orderly marketing of eggs, despite which no such legislation yet appears on the statute-book. I have carefully read the previous debates on similar Bills, and have tried, as far as possible, to anticipate all the objections that may be raised. I have drafted a Bill that I think will meet with the approval of a majority of the members of this House. In Western Australia we can benefit from any mistakes that may have been made in the Eastern States and frame our legislation accordingly. The poultry farmers here do not desire in any way to exploit the consuming public, but merely to have the right to market their own products in an orderly

manner through a properly constituted marketing board.

Hon. J. M. Macfarlane: Is there a demand for such a board?

Hon. G. B. WOOD: There is a big demand from the poultry farmers for such a board to be set up.

Hon. L. B. Bolton: You want to save the middleman's profit.

Hon. G. B. WOOD: Yes, to a certain extent. We do not desire to eliminate all the middlemen, because we recognise some are necessary. Nevertheless, far too many are battening on the industry, which has not sought bounties like many other industries, both primary and secondary, but wishes to help itself, exploiting no other section by legislation such as has been availed of by others.

A marketing board such as the Bill proposes would of course assist to improve the status of the industry and educate the unskilled producer in the best methods of producing, handling and grading eggs. The importation of supplies will always police any undue rise in the price of local eggs, and so safeguard the consumer. I maintain that the primary producers have a right to collective selling in the same way as owners of secondary industries control their marketing and their employees seek protection through the Arbitration Court. While the importation of supplies will always police it must be remembered that many eggs are imported from South Australia.

Hon. A. Thomson: That applies largely to the goldfields.

Hon. G. B. WOOD: Yes, and with the passing of legislation the South Australian people may be required to export better eggs. I hope the people will be educated against the use of imported egg pulp. In fact, I think they should be ashamed to import supplies from the Eastern States when they can get eggs locally.

Hon. L. B. Bolton: If we had secession we could stop it.

Hon. G. B. WOOD: But we have not secession, and so we must try to educate the people. I shall not weary the House by going through the details of the Bill, which contains numerous machinery clauses. I shall rapidly explain some of the principal features. The Bill provides that "producer" means a person who keeps 50 head or more of poultry. Such producers must be registered. Incidentally, I assure the House that the Bill does not seek to make any attempt to control eggs that are exported or imported. I have already mentioned the constitution of the board, which will consist of three representatives of producers and two Government representatives, one of whom must represent the consumers.

Hon. J. M. Macfarlane: What about marketing interests?

Hon. G. B. WOOD: The Government nominee will look after that phase. A producer must own 150 head of poultry before he will be entitled to vote for the constitution of the board. He must be 21 years of age, and be a natural-born or naturalised British subject. The board will take charge of all eggs, subject to certain exemptions. There is a safeguard provided in the Bill in case the board should prove unacceptable to the producers. A poll will be taken every two years to procure an indication of the views of those engaged in the industry. The board may, by regulations, deal with the transport, treatment, grading, branding, packing, storage, marketing, selling, exporting and delivery of eggs—in fact, practically everything associated with the industry except the fixing of prices.

Hon. J. J. Holmes: Will the board guarantee that the eggs will be fresh?

Hon. G. B. WOOD: This legislation will go a long way towards securing that guarantee. The board will have wide powers, and for that reason should be fairly representative. Naturally the producers are most concerned, and should have the greatest representation. Some may think there should be more Government nominees on the board, as in the constitution of the Dried Fruits Board. It will be remembered that at the outset all the members of that board were producers, but it was only last year that amending legislation was passed to give the Government representation. I assure the House that the Bill represents a genuine attempt to meet the wishes of the majority, always supposing that the principle of orderly marketing is accepted. Judging by the trend of events to-day and bearing in mind legislation already on the statute-book, we must recognise that the old idea of haphazardly selling our primary products has passed, and that we must accept the modern method of collective selling. I trust this House will favourably consider the Bill and help to provide the assistance that a hard-working section of the producers has been

striving for over many years. That section has always been law-abiding and has accepted its defeats of the past with good grace. I trust that the second reading will be agreed to; and when the measure is dealt with in Committee, I shall be prepared to accept any reasonable amendments. The Bill is a genuine attempt to meet the wishes of the majority of those affected. I move—

That the Bill be now read a second time.

On motion by the Chief Secretary, debate adjourned.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 1).

Second Reading.

HON. J. M. DREW (Central) [9.44] in moving the second reading said: The Bill to amend the principal Act has been introduced with a definite object in view. That object is to grant road boards effective powers to control hawking within their respective districts. At present road boards are very much hampered in their efforts to control hawking. Paragraph 41 of Section 204 of the Road Districts Act, 1919-1934, authorised them to make by-laws dealing with hawkers, but the only measure under which by-laws could be framed was the Hawkers and Pedlars Act of 1892, as amended by the Act of 1897. That legislation failed to meet the conditions which have arisen during the past 40 years. After the Municipal Corporations Act of 1906 gave municipal councils power to deal with the matter, the police relinquished their vigilance in this direction. They regarded the matter as one purely for the municipalities and other local authorities to deal with; but, with an obsolete Act in force, those bodies, generally speaking, could do next to nothing. Hence, of late years the unregulated hawker or pedlar has become an evil in a large portion of my province, and probably in other parts of the State, for after due investigation and consultation with legal advisers, local authorities have found it impossible to secure a conviction under the present law. Last year a big conference of Murchison local authorities was held at Cue. The road boards represented at the conference were those of Murchison, Cue, Mt. Magnet, Yalgoo, Black Range, Meekatharra and Wiluna. The pastoral and mining communities were represented at the conference and, according to a letter which I received from the secretary, the following motion was carried unanimously—

That the Government be requested to have the Hawkers Act amended.

In writing to me the secretary added—

The reason this matter was brought up was the fact of certain persons repeatedly canvassing towns in the district soliciting orders for goods which they claimed were either of their own manufacture or that of the firm they represented. Legal advice was obtained by one board. It was considered by conference that the Hawkers and Pedlars Act of 1892 was obsolete and tended to defeat any action taken by a local authority to prosecute anyone deemed to be hawking according to the by-laws of a district. The reason of my writing you is to ask for your assistance in having a Bill passed which will give the desired amendment to the Hawkers and Pedlars Act. This Bill will be introduced during the present sitting of Parliament. Yours faithfully, G. E. Clarke, Honorary Secretary.

Last year a Bill was introduced in another place with the object of achieving the particular desire of the road board conference and other authorities. It was decided to amend the Hawkers and Pedlars Act but, after due consideration, that course was found to be undesirable, as the amendment would have general application throughout the State. What was desired was that power should be given each local authority to make by-laws, if it wished.

The Bill does not abolish hawking, but gives power to control it. For some time past the pedlar has been a greater pest than he was before. In the early days, the Indian followed the occupation and, compared with the present-day hawker, he was a harmless person. He might almost be described as a ministering angel. Now, individuals in motor cars, loaded up with all sorts of inferior goods, press their wares not only upon people along the routes they travel, but also upon the inhabitants of towns, and succeed by their trained loquacity in obtaining prices much in excess of the real value of their goods. That is grossly unfair to the local storekeeper, who has to employ labour and either pay rent or be compensated for interest on building costs. He has also to pay rates and taxes and give credit to a certain extent in order to retain custom. But the hawker, in nine cases out of ten, has to meet none of these obligations; and for everything he sells he asks cash down, and so the local

storekeeper often has to go short. I am not overlooking the fact that there is another class of hawker that does not come into serious competition with local traders; they are men honest in their dealings and can be regarded as rendering a service to people in outback settlements. But their usefulness is not likely to be overlooked by the local authority when framing by-laws under the Bill, if it becomes law.

The Bill is practically copied from the Municipal Corporations Act Amendment Bill introduced last year. Objections were raised to other parts of that Bill dealing with plural voting, but no objection was raised to this part. The Chief Secretary, when the Bill was in Committee, drew attention to the paragraphs dealing with hawkers. There was no discussion, but there was an interjection from Mr. Parker, who said, "It is very necessary." It was and is still very necessary.

Member: He may have altered his opinion since.

Hon. J. M. DREW: The part of the Hawkers and Pedlars Act which has been causing the most trouble is that portion which exempts the sellers of goods of their own manufacture. That exemption is not in the Bill. It is fatal to the operation of the Act in out-back districts. All the seller need say, when objection is raised, is that he manufactured the goods himself or is the servant or agent of a manufacturer. Hence there is no prosecution. Under the Bill that loophole will be closed. Subparagraph (b) of paragraph 2 reads—

> By adding the following words:—"For the purposes of this paragraph the term 'hawker' means any hawker, pedlar or other person who, with or without horse or other beast bearing or drawing burden, travels and trades and goes from town to town or to other men's houses there soliciting orders for or carrying to sell or exposing for sale any goods, wares, or merchandise which are either the property of himself or of some other person who does not carry on the business of selling goods, wares or merchandise in a shop or other permanent place of business."

The Bill should rope in the gentleman who has hitherto escaped the law by telling the local authorities that the goods are of his own manufacture or that he has an interest in the firm which manufactured them.

Hon. L. B. Bolton: Will it not, perhaps, rope in travellers in machinery?

Hon. J. M. DREW: It will rope in anyone who cannot comply with the provisions of the Bill I am introducing.

Hon. J. Cornell: It would not hurt to rope in a few motor car salesmen.

Hon. J. M. DREW: In most cases what this gentleman says is a palpable lie—something unpardonable in a gentleman—but he gets away with it because it is not possible to prove its falsity without the local authorities incurring tremendous expense, particularly local authorities 400 to 600 miles from the metropolitan area. I hope members will give the Bill close attention and extend it that consideration which they gave to the portion of the Municipal Corporations Act Amendment Bill dealing with the same matter last year. I move—

> That the Bill be now read a second time.

HON. J. A. DIMMITT (Metropolitan-Suburban) [9.55]: I am inclined to think the Bill is somewhat of a wolf in sheep's clothing. At first sight it appears to be very innocent, but on investigation does not prove to be quite so harmless. Like most other members of this House, I have had visits from and interviews with salesmen associated with the Rawleigh Products Co., Watkins Products Co., and the British Products Co. The salesmen associated with those firms number a little over 200. Each of them is earning a livelihood by selling—or, if members care to use the term, by hawking—goods manufactured by their principals. If the Bill becomes law, those 200 odd salesmen will probably be thrown out of work and their maintenance will become a responsibility of the Government. Apart from that, numerous other activities would be curtailed if the Bill became law. I had an interview with a carrying company two days ago which operates on behalf of one of the concerns I mentioned, and was told that this business represents a big item of their income. The company attends to the warehousing and transporting of the products of manufacturers. Most of the salesmen, too, have their own homes. They have wives and families and, in most instances, a motor car that they use in carrying out their business. Altogether, the ramifications of these house-to-house canvassers create an immense amount of employment that will probably cease if the Bill is passed. I am therefore surprised

that the Government should sponsor a Bill that would create so much unemployment.

The Chief Secretary: It is not a Government measure.

Hon. J. A. DIMMITT: That is so. I apologise for the error. But I am surprised that Mr. Drew should support such a measure. I can also see the danger of the power to license, or to withhold a license, being in the hands of a local governing authority. May I instance this: A road board member may be a district agent for a certain make of motor car, and he may be able to influence the other members of the board to grant a license enabling the salesman—or hawker, if members prefer that title—to call from farm to farm and door to door selling or peddling the vehicle, and the member may at the same time be able to influence the members of his board to withhold a hawker's license from a salesman or hawker of an opposition make of motor vehicles. May I draw attention to a position that was disclosed by a Rawleigh salesman in the Collie district. He has to operate under three different local governing bodies—the Collie municipality, the Collie Road Board, and the West Arthur Road Board. This particular salesman has 600 customers, carries approximately £200 worth of stock and approximately £200 worth of book debts. That disposes of Mr. Drew's assertion that business is done for cash; this man's business is done to a considerable extent on credit, much in the same way as a storekeeper carries on his business. This man would probably be thrown out of employment if the Bill were to become law. For these and other reasons I am led to the conclusion, as I stated in my opening remarks, that the Bill is in the nature of a wolf in sheep's clothing. It is my intention, therefore, to vote against the Bill; and I hope members will sense the danger of the measure, and the hardship that would be entailed if it were permitted to pass.

On motion by Hon. J. Nicholson, debate adjourned.

House adjourned at 10.5 p.m.

Legislative Assembly,

Tuesday, 1st November, 1938.

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

ASSENT TO BILLS.

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

1, Mullewa Road Board Loan Rate.
2, Geraldton Sailors and Soldiers' Memorial Institute (Trust Property Disposition.)
3, University Building.
4, Pensioners (Rates Exemption) Act Amendment.

QUESTION—BULK HANDLING OF WHEAT.

Additional Rail Freight.

Hon. P. D. FERGUSON asked the Minister for Railways: 1, What additional freight is charged by the Commissioner of Railways on bulk wheat as compared with bagged wheat: 2, What additional freights will be charged by the Commissioner of Railways and the Midland Railway Company on bulk wheat as compared with bagged wheat handled through the recently erected bulk facilities on the Midland railway in the Fremantle zone.

The MINISTER FOR RAILWAYS replied: 1, 9d. per ton; 2, 1s. 6d. per ton, reducible by ½d. per each 1,000 tons in excess of an aggregate tonnage of 30,000 annually irrespective of whether wheat is sent to Fremantle or Geraldton.