Legislative Assembly.

Wednesday, 14th December, 1938.

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

QUESTION—SWAN RIVER.

Reclamation Work, Loan Liability.

Mr HILL asked the Premier:—In the detailed classification of Loan Assets, 1937-38, Return No. 17, under Harbours and Rivers, appears the following item:—Swan River Loan Liability, £358,078. What approximate amount, if any, of this item is due on the Swan river reclamation work?

The PREMIER replied: The amount in Return No. 17 under the heading "Swan River" represents the amount of the public debt as at 30th June last due on this loan undertaking. To ascertain what amount is due on reclamation work on the Swan River will require some calculation. The information is being obtained.

QUESTION—HORSE RACING.

Treble "Totes."

Mr. NEEDHAM asked the Minister representing the Minister for Police:—1, Is the following by-law under the Western Australian Turf Club Act, 1892, relating to the working of the totalisator in existence: "In the event of no ticket being taken on the winning horse in any race or of a walk-over, the amount paid on the purchase of each ticket for that race will be returned less the usual commission on production of tickets"? 2, If it is in existence, under what authority do treble "totes" function? 3, If it is not in existence, when was the by-law repealed?

The MINISTER FOR AGRICULTURE replied: 1, Yes. 2, Treble totes function under Totalisator Act, 1883, and amendments thereto. 3, Answered by No. 1.

QUESTION—AUSTRALIAN WORKERS' UNION.

W.A. Branch, Membership, Fees.

Mr. McDONALD asked the Minister for Employment:—1, How many members had the Western Australian branch of the Australian Workers' Union in—(a) 1931-32, (b) 1932-33, (c) 1933-34, (d) 1934-35, (e) 1935-36, (f) 1936-37? 2, What proportion of the fees paid to the branch is remitted to the central authority of the A.W.U. in the Eastern States?

The MINISTER FOR EMPLOYMENT replied: 1 and 2, As only sections of the union are registered in this State, it is suggested this information be sought direct from the union.

QUESTION—BITUMEN.

Importation, Cost, Disposal.

Mr. J. MacCALLUM SMITH asked the Minister for Works:—1, What was the total quantity of bitumen imported during the 12 months ended the 30th November last? 2, What was the total landed cost of the quantity landed? 3, How much of this bitumen has been and/or will be used in—(a) road maintenance; (b) road construction? 4, What are the area and thickness (not mileage) of roads constructed and/or to be constructed out of the quantity stated in answer to question 3 (b)? 5, What is the average cost per square yard per inch of thickness of bitumen roads?

The MINISTER FOR WORKS replied: 1, 7,628 tons. 2, £65,176. 3, (a) Practically none. (b) 7,628 tons. 4, Area, 3,770,000 square yards. Thickness of road, including

bituminous surface, nine inches. 5, Fourpence.

QUESTION—DRAINAGE.

Departmental Co-ordination, Deep and Over Drainage.

Mr. McLARTY asked the Minister for Water Supplies: 1, Is there co-ordination between the Works Department and the Agricultural Department in regard to drainage works in the South-West? 2, Has the question of deep drainage and over drainage of agricultural land in certain areas been considered? 3, If so, what is the result?

The MINISTER FOR WATER SUPPLIES replied: 1, Yes. 2, Yes. 3, Efficient winter drainage is liable, at times, to produce summer difficulties.

QUESTION—IRRIGATION.

Yarloop-Cookernup Area.

Mr. McLARTY asked the Minister for Water Supplies: Is it intended to create an irrigation district in the Yarloop-Cookernup area?

The MINISTER FOR WATER SUPPLIES replied: The matter is being considered.

QUESTION—TRAFFIC.

Metropolitan Routes Advisory Board.

Mr. NORTH asked the Minister for Railways: 1, Is the Metropolitan Routes Advisory Board functioning? 2, If so, who are the members? 3, Is evidence being taken or about to be taken from (a) the general public, and (b) representatives of private bus interests?

The MINISTER FOR RAILWAYS replied: 1, 2, and 3, The Routes Advisory Committee was superseded by the State Transport Board and has not functioned since April, 1934.

QUESTION—TOTALITARIAN STATES.

Mr. NORTH asked the Premier: 1, In view of the clash of methods and objectives between the totalitarian States and ourselves, is he satisfied that the information at present available to us regarding the former is as full and accurate as it should be? 2, Does he favour sending a public servant to those countries to investigate and report to us on these matters? 3, If expense is an obstacle, would he favour joint action in this regard with the Commonwealth and other States?

The PREMIER replied: 1, No. 2, No. 3, Answered by Nos. 1 and 2.

QUESTION—RAILWAY SERVICE, SUPERANNUATION.

Select Committee's Recommendations.

Mr. SHEARN asked the Premier: Has the Government decided upon any action following the report of the Select Committee on the 1871 Superannuation Act in relation to railway employees?

The PREMIER replied: Yes.

QUESTION—DOMESTICS.

Use of Term.

Mrs. CARDELL-OLIVER asked the Minister representing the Minister for Police: 1, Has his attention been called to a report in the "Daily News" of Thursday last of a prosecution in the Police Court of women on the charge of being keepers or occupiers of houses of ill-fame and that those women described themselves as domestics? 2, In view of the difficulties in obtaining domestic servants and the further difficulty that persons who have no claim to be termed domestics can use that term, thus causing women of respectable character to decline such service, can any action be taken to prohibit the use of that term by women of evil-fame?

The MINISTER FOR AGRICULTURE replied: 1, No, not until my attention was drawn to it by the hon. member. 2, None that I am aware of.

QUESTION—MENTAL HOSPITALS ROYAL COMMISSION.

Commissioner's Recommendations.

Hon. N. KEENAN (without notice) asked the Premier: 1, When does he intend to make a statement to the House of what action the Government proposes to take on the report and findings of the Royal Commissioner appointed to inquire into matters arising out of the maintenance and manage-

ment of the Heathcote Reception Home? 2, Will he afford members of this House an opportunity to discuss such statement?

The PREMIER replied: I do not know that the Government will be in a position for a week or two at least to decide what is to be done in connection with the report and findings of the Royal Commission. Obviously many of the recommendations will entail very considerable expenditure. As I said at the time the Royal Commission was suggested, if such Commissions were appointed to deal with the activities of other Government departments such as those relating to child welfare, education, delinquent boys, lunacy, hospitals, police or railway men's quarters and so on, findings would be given that would indicate the necessity for the Government doing certain things that in the aggregate would cost millions of pounds. The Government intends to give urgent attention to the recommendations of the Royal Commission on mental hospitals. Some of those recommendations will involve the expenditure of a very considerable sum of money that cannot be found during this financial year. The urgent recommendations will be dealt with in due course, but until a decision is reached I am not in a position to make a statement.

Hon. N. Keenan: What about the findings?

The PREMIER: The findings were that certain things should be done that will entail a very considerable expenditure.

Hon. N. Keenan: In consequence of certain things that the Commissioner found had happened.

The PREMIER: All that most people are concerned about are the recommendations of the Royal Commissioner.

Hon. N. Keenan: There is more in it than that.

The PREMIER: That is all the Government is concerned about. When a Royal Commission is appointed to inquire into matters submitted to it, it makes recommendations. Those recommendations are then considered on their merits and dealt with according to the ability of the Government to give effect to them.

Hon. N. Keenan: Are the Commissioner's findings to be ignored?

The PREMIER: No.

As to Tabling of Report.

Hon. C. G. LATHAM (without notice) asked the Premier: Will he lay on the Table of the House a copy of the report of the Royal Commission on mental hospitals?

The PREMIER replied: Yes. Almost immediately after the report was received arrangements were made to send it to the Government Printing Office, and I expected that copies would be available to-day.

Hon. C. G. Latham: The Press has already had the report. It was presented ten or twelve days ago.

The PREMIER: I could have tabled the typewritten script for members to read, but the usual course adopted is for copies of such reports to be distributed so that each member may have one. If members desire, I can table the typewritten report, but the printed copies should be available to-day.

Hon. C. G. Latham: We want to see it.

The PREMIER: My information was that the printed copies would be ready this afternoon. A party meeting was held to-day, and I was not in the office, so that I do not know whether the printed report came to hand. As soon as it arrives it will be tabled and distributed.

BILL—THE PERTH LITERARY INSTITUTE INCORPORATED (SALE OF LAND), 1938.

Leave to Introduce.

MR. NEEDHAM (Perth) [4.41]: I move—

That leave be given to introduce a Bill for an Act to authorise The Perth Literary Institute Incorporated to sell and transfer certain land and for other purposes incidental thereto.

Mr. SPEAKER: The hon. member has not given notice of his intention to move for leave to introduce the Bill.

Mr. NEEDHAM: I give notice. I understood that I had permission to introduce a Bill in view of the suspension of the Standing Orders.

The Premier: No. Give notice.

Mr. NEEDHAM: Then I give notice that I ask for leave to introduce the Bill.

Mr. SPEAKER: The Standing Orders are suspended, making short cuts possible. I do not see that there is anything wrong in the procedure adopted by the member for Perth, as the Standing Orders have been suspended. The hon. member has given

notice, and then immediately moves for leave to introduce a Bill for certain purposes. The question now is that leave be given to introduce the Bill.

Question put and passed.

First Reading.

Bill introduced and read a first time.

Second Reading.

MR. NEEDHAM (Perth) [4.44] in moving the second reading said: I am advised by the President of the Perth Literary Institute that in the opinion of the Committee of management of that institution the location at present occupied by the institute is not suitable. It is situated at the corner of Hay-street and Pier-street, Perth. That site is not very central, and the committee of management deems it advisable to try to sell the property; but under the Act which governs the institute, namely The Swan River Mechanics Institute Act of 1886, the committee of management was given power only to lease and or mortgage subject to the consent of the Governor-in-Council. A cash purchase offer has been made to the committee of management, but it is found that under the provisions of the Act I have just quoted, the committee cannot sell. If the Bill of which I am now moving the second reading is not carried by Parliament before it rises, the committee of management will have to wait until August, 1939, before it can accept the cash offer. Although that offer has been made for the building and land, it is not suggested that if this Bill becomes law that particular offer will be accepted. The committee of management simply desires to have the authority of Parliament not only to lease or mortgage the property, but also to sell it to any person. That is the meaning of the Bill now before hon. members. For the reasons I have advanced, I move—

That the Bill be now read a second time.

Mr. SPEAKER: Before the question is put I wish to suggest to members that in matters of this description I be given notice, as Speaker, before a matter is raised as this has been raised. I had no knowledge of the Bill, never having sighted it. It is difficult, when the Standing Orders are suspended, to maintain procedure in a manner enabling us all to fill our relative positions adequately. I simply mention the point.

On motion by the Minister for Lands, debate adjourned until a later stage of the sitting.

BILLS (2)—THIRD READING.

1, Lotteries (Control) Act Amendment.
Returned to the Council with amendments.

2, Municipal Corporations Act Amendment (No. 2).
Transmitted to the Council.

BILL—MINES REGULATION ACT AMENDMENT.

Council's Amendment.

Amendment made by the Council now considered.

In Committee.

Mr. Hegney in the Chair; the Minister for Mines in charge of the Bill.

Clause 2:

Delete the whole of Subsection (1) of proposed new Section 55, and substitute the following:—

(1) Subject to the terms of any award or industrial agreement under the provisions of the Industrial Arbitration Act, 1912-1935, made after the passing of this Act the Governor may direct by notice in the "Government Gazette" that after the date of such notice the wages of all workmen employed on all mines shall be paid in two instalments in each month.

The MINISTER FOR MINES: The effect of the Council's amendment is that whereas the Arbitration Court has no jurisdiction at present in the matter of fortnightly pays, if we agree to the proposal of another place the court will have that jurisdiction. If the court does not exercise that jurisdiction and prescribe fortnightly pays, the position will remain as at present under Section 55 of the Mines Regulation Act and the Governor will be able to proclaim bi-monthly payments. In my opinion there is a greater chance of obtaining fortnightly pays through the Arbitration Court than by means of legislation, which would have to be accepted by the Legislative Council. The men would be well advised to approach the Arbitration Court with that object in view. I move—

That the amendment be agreed to.

Mr. STYANTS: I do not propose to vote against the Council's amendment, but I wish to remove a possible false impression in the

minds of members that may have been created by a newspaper report of a meeting held in Boulder on Sunday week. The meeting discussed the Council's amendment and the report in the newspaper indicated that a unanimous decision was arrived at to accept the proposal advanced in the Upper House. Members might glean from that report that the people were well satisfied with the Council's proposal, but the position was rather the reverse. The people had expected something better. I have analysed the opinions expressed in the Legislative Council in opposition to the clause in the Bill and two dominating reasons seemed to actuate members of that Chamber. One was that fortnightly pays would mean added expense to the mining companies. The cost would be increased by a small amount in that two more pay days would occur within 12 months. Members will see, therefore, that the amount involved would be very small indeed. The suggestion was advanced in the Council that the surveyors would have to go over the whole of the workings to measure up so that the fortnightly pays could be made operative, but that is not so because the surveyors are measuring up all the time. From that standpoint, therefore, the additional cost would be extremely small. Another point raised in the Council was that the Arbitration Court should deal with all matters of an industrial nature. I give credit to members of another place for consistently adopting that attitude, but when the fact is stated that for the past 33 years the matter of pays in the mining industry has been the prerogative of the Governor, it seems rather late in the day for another place to demand an alteration in the system so that the matter could be made subject to decisions of the Arbitration Court. If what has obtained for 33 years whereby the question of pays was subject to the Governor under Section 55 of the Mines Regulation Act has been regarded as satisfactory, there would seem to be no logical objection to the prerogative continuing to vest in the Governor to declare fortnightly pays. The suggestion was advanced that the altered method of payment would involve a change in the system of mining companies. That contention loses force when it is appreciated that recently the mining companies offered to pay all wages men fortnightly and to pay contract men their first fortnightly wage on the basis of day wages, which would involve measuring up only once a month. That proved unacceptable to the contract men. If the fortnightly-pay system were introduced, the office routine of the mining companies would not be disorganised to any extent. It was suggested that some companies operating on the Golden Mile were also interested in mining operations in other parts of the world. Hence, it was claimed, an alteration in the system might affect the office methods adopted by those companies. My inquiries show that mining companies pay fortnightly in many foreign countries, so that objection can hardly be regarded as valid. As one of the goldfields representatives in this Chamber, I advised the men strongly to accept the Council's amendment, for I believe they would have justice on their side in any application they made to the court. I know of no section of wage earners that is paid at less frequent intervals than once a fortnight. Many are paid weekly. Bearing that in mind, I believe the miners, once the Arbitration Court has jurisdiction over the matter, will be able to submit such a strong case in favour of fortnightly pays that their request will be granted. To me it was quite evident before the Bill went to the Legislative Council that it would be amended or else defeated. I was told by mining men that we had not a possible chance of securing fortnightly pays. If the men refuse to accept this amendment it will mean that next year—assuming that the Labour Government will be returned—a similar measure will be sent to the Council, the personnel of which will not be altered in the interval, and so it will be unlikely that members there will have changed their opinion. Assuming that the Labour Government be not returned, it is hardly likely to expect the new Government to introduce a Bill to provide for a fortnightly pay. The most we could expect would be the introduction of a Bill to provide what the amendment from the Legislative Council suggests. For that reason I advised the men and women at the public meeting on the goldfields to accept the amendment because I thought there would be a greater chance of obtaining justice from the Arbitration Court than from another place.

Mr. MARSHALL: I do not know of anything more puzzling than the amendment sent to us by another place. The last part of the amendment seems to be contingent upon the first part. It must be subject to the terms of any award, and it does not

matter what the award may contain, the Government may direct, by notice in the "Government Gazette," that after the date of such notices the wages shall be paid in two instalments in each month. The Governor will not be able to touch it until the court has dealt with it, and if the Arbitration Court says there shall be only one pay in the month, the men will be handicapped. If the court awards a fortnightly pay, the Governor will not come into the matter at all.

Mr. LEAHY: The amendment made by the Council is disappointing to us. It is also disappointing that those engaged in the mining industry should receive such treatment from any party or any House particularly when we remember that the industry for many years past has been the backbone of the State, and that those engaged in it are working under conditions that cannot be compared with conditions existing in any other industry in the world. Those engaged in mining operations are exposed to all possible dangers, and it is generally realised that there can be only one end to those who go underground. I am disappointed that the request of the men was not granted by another place. I believe that the opposition came from those who do not appreciate the importance of giving justice to the miners. I believe, and most members of the House agree with me, that those engaged in the industry do not receive that consideration that is granted to other industrial workers. I am reluctantly compelled, however, to accept the amendment sent to us, and so are the people of the eastern goldfields. The people there are not satisfied; really they are disgusted at the attitude adopted by the Council.

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

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

BILL—LIFE ASSURANCE COMPANIES ACT AMENDMENT.

Second Reading.

Debate resumed from the 1st December.

MR. SEWARD (Pingelly) [5.15]: The Bill before the House affects companies carrying on life assurance not only in this, but in practically all the States of the Commonwealth. Therefore, it seems to me most desirable that this legislation should be as far as possible uniform with similar legislation in force in other States dealing with the same subject. The best way to achieve that result would be for the Commonwealth to introduce the necessary legislation. I understand the Commonwealth Parliament is proposing to introduce a Bill to deal with the subject. We cannot, however, suspend or delay action in the hope that it will do so. I mention that because if the Commonwealth does introduce legislation on this subject, it will over-ride the legislation that we may pass here. However, as I said, we cannot await that contemplated action. It has been contemplated now for a number of years, so the Minister has—rightly, in my opinion—brought down a Bill to deal with the present unsatisfactory position in regard particularly to industrial assurance business. When introducing the Bill, the Minister said that industrial life assurance business had been made the subject of an exhaustive report by a Victorian Royal Commission. As a result of that report, a Bill was introduced into the Victorian Parliament which I understand has been passed. In my opinion, we should be guided largely by the findings of that Commission, which is the latest Commission to investigate the subject.

As I pointed out earlier, a matter of supreme importance to life assurance companies is that this proposed legislation should be as uniform as possible, because the companies will, as a result of the legislation, be required to furnish returns. If we pass a Bill requiring the companies to furnish certain returns and another State passes legislation requiring the companies to furnish different returns, the companies will be involved in considerable expense. We should also not lose sight of the fact that, if the Commonwealth introduces legislation dealing with life assurance business, that legislation will probably be based upon the findings of the Victorian Royal Commission. If the Commonwealth finds that legislation of a similar character already exists in two States, it will probably give the Commonwealth a lead as to the legislation it should introduce to deal with the subject. That is another reason why we should be guided largely by the findings of the Victorian Royal Commission. I point out to members that that Commis-

sion was appointed because of the unsatisfactory position of life assurance business in Victoria. The commission was charged with the investigation of industrial assurance business only. Upon its recommendations the Victorian Parliament subsequently introduced a Bill that dealt with industrial assurance only, not with ordinary life assurance.

The measure now before the House, as the Minister has pointed out, deals with ordinary life assurance business as well as with industrial assurance. I prefer the Bill to be confined to industrial assurance alone, for reasons that I shall subsequently give. If the Minister adopts that suggestion, then speaking for myself and I think for those on this side of the House, the Bill will meet with fairly general approval. Some amendments have been placed on the notice paper. These follow closely the recommendations of the Victorian Royal Commission and will not affect the benefits which this measure will confer. I also point out that the Bill will amend the Life Assurance Act, which was passed before industrial assurance was thought of. Consequently, some of the provisions of this Bill will be inapplicable to ordinary life assurance business. There is, of course, a very big difference between those two classes of assurance business.

The chief object of the Bill is to endeavour to ensure that industrial policy-holders will not lose the equity in their policies in the way in which such equity has been lost in the past. As was pointed out by the Minister, large numbers of industrial assurance policies have been forfeited. With the objective of the Bill I cordially agree. The forfeiture of policies has, however, been largely due to the nature of the business, which differs completely from ordinary life assurance business. If the holder of an ordinary life assurance policy fails to meet his premiums, his policy is protected by the company. The companies have a system whereby, immediately a premium is unpaid, they determine the surrender value of the policy. Having ascertained that value, they utilise the equity—if I may so term it—or the surrender value in payment of the premiums as they fall due up to such time as the equity becomes exhausted. There are two ways in which that is done. Either the companies give the policy-holder the full benefit of the equity as long as it remains, or they give the policy-holder half the benefit for double the time. At all events, the policy-holder's position is secured to that extent. That system can be carried out because the equity in an ordinary life policy is considerably greater than the equity in an industrial policy. The premiums on an ordinary life policy are paid either half-yearly or yearly; and consequently in a short time the policy-holder obtains a considerable equity in the policy. In the case of an industrial policy, however, the premiums are paid weekly or at frequently recurring intervals and are of a small amount, ranging from 1s. to 2s. It follows, therefore, that a considerable time must elapse before the policy-holder really obtains much equity in the policy.

Mr. Styants: The surrender value is small in comparison with the premiums paid.

Mr. SEWARD: In industrial assurance?

Mr. Styants: Yes.

Mr. SEWARD: If a person is paying only 1s. a week by way of premium, some considerable time must elapse before he obtains an equity of any great value. He pays only, say, £2 12s. a year. The expenses of industrial assurance are high. I shall point out later that they amount to 60 per cent. in some cases. Therefore, an industrial assurance policy must be in force for a certain number of years before an equity of any consequence is established.

Mr. Styants: If a policy-holder paid £15 in premiums, what would be the surrender value of the policy?

Mr. SEWARD: That is the point I am coming to. To obtain an equity the policy must be in existence for some years if the premium paid is only 1s. per week. A period of six or seven years would have to elapse before the equity would be of any great value. I intend to deal further with that point when speaking to Clause 2.

Mr. Styants: I think the surrender value is about 15 per cent. of the premiums paid.

Mr. SEWARD: It depends upon the term of the policy.

Mr. Styants: That is not the point.

Hon. P. D. Ferguson: The period for which the policy has been in force affects the surrender value.

Mr. SEWARD: Of course. If the company promises to pay £100 in 30 years, and the policy-holder has paid premiums for four or five years only, his equity is not great. Industrial assurance is carried on in an entirely different method from ordinary life assurance business. Agents tour the country

and collect premiums weekly as they fall due. These premiums, members must bear in mind, are for small amounts only. The Bill seeks to give a policy-holder a surrender value if he ceases to pay his premiums. As I have pointed out, that is an easy matter so far as concerns the ordinary policy-holder, because his policy is dealt with by the head office of the company and the premiums are paid at lengthy periods. In his case, it is merely a question of working out the equity and making arrangements to carry on the policy. In the case of industrial assurance, however, the matter is altogether different. Small amounts are collected by agents in country districts. A policy-holder may omit to pay a premium and that fact must be notified to the company in Perth. I think the Minister pointed out that in one year 164,000 industrial policies had been forfeited. If the various companies, immediately they received notice of non-payment of a premium, had to work out the surrender value of the policy, that would involve them in a great amount of labour, at the end of which, in all probability, the policy-holder might have brought his premium payments up to date, and all the work would have been in vain. Such a procedure would subject the insurance companies to enormous expense; they would require an augmented staff to cope with the work and the expense would ultimately be thrown upon the policy-holders, thus increasing the premium rates. That has been borne out by the Victorian Royal Commission, which found that any small gain to a policy-holder would be counteracted by the increased expense to which the insurance companies would be put in order to determine the surrender value of the policy.

In order better to illustrate my meaning, I will take the case of a policy of ordinary life assurance for £200. This is an actual case. A person insured his life for £200, and paid the premiums for four years. The premiums amounted to a little over £4 a year, so that he paid in all about £17. He did not pay the succeeding premiums that fell due. The company immediately worked out the surrender value of the policy and arranged to utilise it in paying subsequent premiums as they fell due.

Mr. Styants: What was the surrender value of that £17?

Mr. SEWARD: I am coming to that. The company used the premiums and paid £32, thus keeping the policy active up to ten years, but just before the expiration of that term the policy holder died. The man had paid in premiums a total of £47. The company, however, continued the policy, subsequently deducting the £32 it had used for the payment of premiums and paying the widow the sum of £215. Had the company, at the time when the man missed his first premium after being insured for four years, determined the surrender value and paid him that money, he would have received approximately £20. If we give effect to the provisions of the Bill as applied to ordinary life assurance we shall be doing grave injustice to many policy-holders.

Clause 2 of the Bill cannot apply to industrial policy-holders because in an overwhelming majority of instances there would scarcely be sufficient equity in the policy to cover the cost of the investigation. A determination as to the surrender value of a policy can be made only at periodical intervals. Should a company be called upon to make an estimate of the value every time a premium was unpaid, the cost entailed would practically eat up any equity that might lie in the policy itself.

Certain figures were quoted by the Minister. He gave the number of policies that had matured and been surrendered and those that had been forfeited, and also gave the face value of such policies. He stated that the face value of 500,000 forfeited industrial policies was £23,000,000. That large sum really has nothing to do with the question. In many instances probably the premiums had not been paid over a longer period than, say, six months. For the insured to claim that because he had forfeited a policy in such circumstances he had lost a considerable sum of money, is equivalent to a man saying he has lost £1,000 because had he backed a particular horse that won a particular race he might have netted that sum. The only way it would be possible to declare that this money had been lost would be by ascertaining how many small amounts, of a few shillings each, had been paid by insured persons, and subsequently lost by the forfeiture of the policies. If such figures could be ascertained it would probably be found that not more than £1,000,000 had been lost. I do not suggest we should not take every

possible step to prevent that loss, but I am afraid the figures themselves do not convey much information.

With regard to the number of policies that have lapsed, I wish to refer to the comments made by the Victorian Royal Commission. That commission after making the necessary investigations, stated that an overwhelming number of industrial policies were forfeited in the first six months of their currency. I understand from an estimate made by various companies, published some time ago, that as many as 80 per cent. of industrial policies were forfeited in the first year of their currency. This indicates that something is wrong with the position, and it is our duty to find out what that is and to rectify the position.

The Minister pointed out that in Queensland certain action had been taken to deal with the situation, but he did not give us any idea of how the amendments to the Queensland Act were functioning. From the Queensland Year Book it is only possible to obtain the figures for 1935 and 1936. In 1935, 19,302 industrial life policies were forfeited, and in 1936, 23,354 were forfeited. That, however, does not convey very much. I sent a communication to Queensland with a view to clearing up the matter, but was able only to obtain the figures for one company. The number forfeited industrial policies as affecting this one company in 1931 was 2,426, in 1933 it was 2,467, in 1934 it was 2,426, in 1935 it was 3,069, in 1936 it was 3,695, and in 1937 it was 5,721. Since the passing of the amendments to the Queensland Act the number of forfeited industrial policies in that State has risen from 3,069 to 5,721, as affecting one company only. This indicates that the amendment has not been as effective in producing results as could have been hoped.

The Minister for Employment: Those figures would cover policies not affected by the Queensland legislation, and not protected by it. They were policies that had not been in force for three years or more.

Mr. SEWARD: They are the policies that were forfeited in the years I have quoted.

The Minister for Employment: They are policies that would have been in operation for less than three years, and consequently would not be protected by the legislation.

Mr. SEWARD: Members will realise that the amendments to the Queensland Act have not produced the desired results. We are, therefore, justified in looking further afield to see what can be done in this State to protect policy-holders. The Royal Commission found that the chief trouble was possibly due to the method in vogue of paying industrial assurance agents on a commission basis. The Royal Commission said there was very little reason to doubt that the zeal of agents had induced many people to take out policies that they were not anxious to obtain. The chief reasons for that result were the method of paying agents and the pressure put upon them by the companies to obtain new business. That is a practice the commission thought should be stopped. It also stated that the numerous lapses that had occurred within a few months after the policies were effected justified the conclusion that overpersuasion by agents had induced people to take out policies that they either did not want or upon which they were unable to pay the premiums. The recommendation was that the practice should be prohibited.

Nothing I can see in the Bill will give effect to the recommendation I have just quoted. The matter is one that should concern us. We should be able to determine that agents shall be paid a salary instead of a commission. If we made such a provision we would be doing a service, not only to the insurance companies but to the policy-holders as well. It has been pointed out that the business of industrial assurance is a very expensive one. A large proportion of the premium income goes out in expenses, and in addition a substantial outgoing is due to the house-to-house visits for the collection of premiums. Another matter to which the Royal Commission drew attention, one which is worthy of note, is that many policies merely state that they are issued subject to the rules of the company or association concerned. Very little information is given to the policy-holder as to what benefits he will receive under that particular form of policy. This is a matter upon which the fullest information should be given. The recommendation of the Royal Commission is that such clauses should be typed on the policies indicating that the holder has a right to a paid-up policy, or the right to its surrender value, and stating that the policy would not be forfeited until the lapse of a reasonable time after the last premium had been paid. This particular recommendation would be carried into effect if the House were to adopt the

amendment I have placed on the notice paper.

I hope the Minister will agree to this measure being confined to industrial policies. If he does that I think he will avoid an injustice to ordinary policy-holders by reason of their otherwise being forced to pay up their policies or draw the surrender value when the premium remains unpaid, thus compelling them to derive less benefit from their policies than if the ordinary methods were employed for the payment of the subsequent instalments due by way of premiums. In respect of policies that have run for no longer than three years very little equity is established.

If we pass the clause that stipulates that when a premium lapses the company has to send out by registered mail a notice to all policy-holders stating that the premium has lapsed, tremendous expense will be entailed. A registered letter would cost 5d., and that and other expenditure would have to be passed on to the policy-holder. Very often the equity in the policy would hardly justify the expense of registration. It would be far better to adopt the amendment I have forecast, namely, that when a policy has been in force, say, up to 12 months, and the premium has remained unpaid for four weeks, the policy will lapse; if the policy remains in force for one year and up to two years the premiums are allowed to get in arrears for eight weeks before forfeiture; and when the policy has been running for two years or more it will not become forfeitable until after the expiration of 12 weeks. Such a provision would be sufficient protection for policy-holders.

The Royal Commission comments on this point by stating that some policy-holders complained that they were not aware that their policies had been forfeited, and they were not aware of the right of the company to do this. The commission thought that, in a great majority of instances of forfeiture, the policy-holder was aware of the fact that he had ceased to pay premiums and of the consequence of his failure to do so. If that is the finding of the commission we should not accomplish anything by making a company issue notices in the case of policies that had been in existence for only a period of less than three years, and by insisting that a statement should appear on the policy that it became forfeitable after the premium had been due for a certain period. The insured person knows what the position is.

Most of the questions involved in this Bill can best be dealt with in Committee. I will, therefore, leave any further remarks I have to make until we reach that stage. If the Minister will confine the measure to industrial policies he will have the support of this side of the House. We should do what we can to prevent the forfeiture of these policies. That can best be accomplished by taking steps to see that the agents are disciplined, by preventing them from inducing people to take out policies, either by misrepresenting the benefits they are supposed to get or in some other way so that they themselves may earn their commission, notwithstanding that numbers of people will have been induced to pay a certain amount only to find that when they cannot keep up the payments their money has been lost.

MR. McDONALD (West Perth) [5.45]: With the Minister's view that there should be some legislation to protect the holders of industrial policies, there will be general agreement. When we talk about the amount that should be received by the holder of a policy, industrial or otherwise, by way of surrender value or paid-up value, we are sometimes inclined to overlook the fact that the policy moneys are not only payable commonly on the endowment system, that is, a certain specified period of time, but are also payable in the event of death in the meantime. So it may happen that a man may insure for £1,000 and pay the first quarter's premium of £5, and then die perhaps a week later. In such an event the assurance company will have to pay the £1,000 to the man's relatives. As insurance is a pool, it means that part of everyone's premium goes to meet the losses sustained by companies on those policies where death takes place long before the amount payable at death has been covered by the payment of premiums. If a man has paid £20 or £30 and desires to obtain the surrender value, the amount he gets must necessarily be reduced by the sum the company had earmarked to meet the case on risks in the total insurance pool. As the member for Pingelly said, this matter was considered by a Royal Commission in Victoria and that Commission recommended reforms which it confined to industrial life assurance. Its authority was really to in-

quire into industrial life assurance and, on the recommendations made, the Victorian State Government brought down a Bill which, of course, related only to industrial life assurance. That Bill passed both Houses of the Victorian Parliament two or three days ago. The assurance companies, I am informed, have cordially accepted the conclusions and recommendations of the Victorian Royal Commission. I have been told on good authority that the life offices have agreed to put into force the recommendations of the Victorian Royal Commission with regard to industrial assurance right throughout Australia as from the first of next month. The companies will do this voluntarily, not only in Victoria, where the Act has been passed, but also in the States where no legislation has been introduced. I am also informed that there have been conversations between the Federal Government and life offices in the Eastern States, and the Federal Government has announced its intention to bring down legislation next session to deal with life assurance.

Everyone will agree that it is of the greatest advantage that legislation of this kind dealing with life assurance should, if possible, be Federal and should have uniform application to all the States of Australia. So that in one sense this legislation, if the Federal Government carries out its intentions, will be superseded by the Federal statute. If we do pass the Bill—and I am entirely in sympathy with the objects of the Minister in respect of industrial life assurance—it is desirable that we should conform to the recommendations of the Victoria Royal Commission as they have been adopted by the statute passed in Victoria, so that the legislation shall be uniform and the companies will not be in the position of having different policies, rules and conditions applicable to each State. Those differences would mean added costs which would fall upon the policy holders themselves. The Minister has very largely adopted the recommendations of the Victorian Royal Commission and his Bill, as has been said, is based almost entirely upon the Victorian measure, but he has made his Bill cover all life assurance, not only industrial but also ordinary, and it is that extension to which I think the House should not agree. It may be that some regulation of the ordinary assurance may be desirable as well as the regulation of industrial assurance, but so far as ordinary assurance is concerned, that has not been the subject of inquiry and I am not satisfied nor will the House be satisfied, that the recommendations of the Victorian Royal Commission as regards industrial life assurance would necessarily be applicable to ordinary assurance. The two assurances are very different, and if we desire to extend the recommendations of the Victorian Royal Commission to ordinary assurance, as has been done by the Minister's Bill, before we do so the opportunity should be given to the assurance offices, most of which are mutual, to express their views and to call in their actuaries to make reports as to whether or not the provisions that may be good for industrial assurance are necessarily applicable or beneficial as regards ordinary assurance. It may turn out that what may apply to industrial assurance, the calculations and the scales for estimating the surrender and paid-up values which may be just in the case of industrial assurance, may be inequitable in regard to ordinary assurance, and so the actuarial calculations on which ordinary life assurance has been granted by companies may be upset.

Therefore I hope that the Minister will accept the proposals of the member for Pingelly. Those proposals appear on the notice paper by way of amendments and will confine the operations of the Bill to industrial assurance only. They will incorporate amendments that were inserted in the Victorian measure that has just been passed. The Minister's Bill will thus be confined to industrial assurance and it will contain provisions similar to those to be found in the Victorian Act. If the other States should pass legislation, it is to be hoped that they, too, will frame that legislation on the Victorian Act and thus, pending the passing of the Federal statute, the legislation in all the States will be of a uniform character and will be based on the authority and actuarial calculations of the Victorian Royal Commission. There are one or two other matters I might refer to when the Bill reaches the Committee stage. I propose to vote for the second reading because, although it may be superseded by the Federal measure, I do not desire to offer any objection to a proposal the object of which is to carry

out a reform in the case of industrial life assurance. I trust, however, that the amendments that will be submitted by the member for Pingelly will be accepted. We shall then do what Victoria did, and that is produce a measure that will be of benefit to industrial assurance and then later, if investigations show that there should be some regulation respecting ordinary assurance, I feel certain the House will be prepared to listen with attention to any suggestions that may be advanced in that direction.

MR. BOYLE (Avon) [5.57]: I support the second reading. When the Minister is replying, I should like him to set out his reasons more fully for including ordinary life companies in the measure. The Royal Commission that sat in Victoria said that industrial life assurance might be described as the business of effecting assurances upon human lives, the premiums in respect of which are payable weekly, or at other short intervals, and are received by collectors who make house-to-house visits for that purpose. This system of assurance was introduced into Britain in 1870, so that it has very little more than 60 years behind it. During that period, however, it has become a large factor in the economic life of the people of the British Empire and America, and I am afraid that advantage has been taken of, shall we say, the ignorance of the assuring public or the people who take advantage of this particular form of assurance. It may interest the House to know that there are in the Commonwealth 2,000,000 of these industrial assurances with a face value of £90,000,000, and that no less than £100,000 is paid weekly, or £5,000,000 per annum by the assuring public to the companies. The assuring public consists of hard-working people, including the farming community. The assurances are not by any means restricted to industrial areas.

Hon. P. D. Ferguson: Do you suggest that farmers are hard-working people?

Mr. BOYLE: I would not suggest that they are not hard-working people, but I do suggest that they have less money than the industrial population. In my experience in another sphere I have had cases referred to me in which amounts, in some instances aggregating from £90 to £100, have been paid. Owing to the distress existing in the agricultural areas, however, the policies have lapsed, and it has been difficult—and in fact impossible legally—to recover any of the money at all. In some cases what were known as payments by grace, or compassionate allowances, were made, but that occurred in very few instances. The measure aims at affording some protection to this type of person.

The basis of this industrial assurance is, to my mind, economically unsound. In this form of assurance the assured persons—mostly infants—are accepted for assurance without any medical examination being required, which indicates that the risks run are correspondingly high. In regard to ordinary life assurance, no person is accepted without a medical examination. In perusing tables in the office of the Government Statistician I have been astounded to notice the number of forfeitures. Yet one cannot really wonder at that when one is aware of the conditions under which the policies are taken out. The companies protect themselves. Indeed, they are compelled to do so; the fault is not theirs. The Commonwealth Life Assurance Companies Act, 1905, makes provision for the protection of infant life. It is assumed, and rightly so, that children of immature years may be insured with the idea of a benefit being secured in the event of early decease. But that works very nicely into the hands of the companies concerned. If a child's age does not exceed one year on its next birthday, the amount to be paid is limited to £5, irrespective of the amount of assurance on that child's life, and irrespective of the amount of the premiums paid, £6 at the age of two, £7 at the age of three, and so on That gives the company a very limited liability in regard to children of tender years. If a person does not assure until he is 20 years of age, the days of grace allowed for non-payment of premium are only 28. I have here the policy of a girl who at 20 years of age took out an endowment policy to mature upon her reaching the age of 40. For that she paid 2s. per week. The total amount that would have been paid to her would be £102, plus a share in the profits. What that problematical share might be is not clearly set out. She would have paid £104 to the company for a return of £102, plus this problematical profit. At the end of three years she had paid £17. I regret to say that it was my duty to have to tell her that the policy was not worth the candle. Consequently she surrendered it, and received no return at all. I asked her

whether she had inquired from the agent as to the disabilities involved in taking out a policy; but when one realises that the very livelihood of the agents depends upon their selling this type of insurance, one can understand that they are hardly likely to mention any difficulties that might exist.

I submitted this argument to an industrial company, and was asked whether, if I were selling anything, I would mention its defects. The mental outlook of the companies in relation to this class of business can easily be understood. From their point of view the policies must be sold and a profit made. They are therefore prepared to treat human life as a commercial concern, and to regard the material issue as the only one to be considered. The whole business is overripe for adjustment and control. I was pleased to hear the member for West Perth refer to the fact that the companies were prepared to give effect to a policy based on a Bill of the type introduced by the Minister. I am reminded of the couplet—

> When the Devil was ill, the Devil a saint would be,
> When the Devil was well, the devil a saint was he.

In Victoria, a Royal Commission was necessary to bring these facts home to companies that have been doing business for 60 years. When this remarkable report was issued by the Royal Commission, the companies suddenly realised there was room for improvement. That need for improvement has existed for many years. A Bill of this type will effect immediate and permanent improvement.

I reiterate that these assurances are not confined to the industrial population of the big cities. Even to-day, in a district in my electorate—as a matter of fact, in Merredin—an industrial agent travels through the town and to the farms selling this particular type of assurance. Tremendous profits seem to accrue to the companies from this class of assurance; one has only to travel to Melbourne, Sydney and Adelaide to see the most magnificent structures built by them. I saw a building in Melbourne costing half a million pounds. That had been erected by a company—and a similar building was established in Sydney for about the same amount—that had been in existence for less than 30 years. Yet one is told that these companies are philanthropic institutions existing for the good of the insurer.

Another matter to which I wish to refer is the iniquitous practice of securing bondsmen for these travellers or agents of the companies. Before persons can obtain employment with the companies they must secure bondsmen, and those bondsmen have to render themselves liable to payment of £50 each for the safe discharge of the duties of the commission agents. There is no business I know that has the cheek to demand a bond from its employees, other than the fidelity bond guarantee issued by a recognised company. Consider the employees of grocers or bakers, that travel about every day with little leather books collecting far more money during a week than do these assurance agents. They are not secured under fidelity bonds, and are not required to furnish two bondsmen to pay £50 each. I have a bond document in front of me. The bond is not for a limited time, but binds the bondsman indefinitely. So long as the individual concerned is in the employ of the company, the bondsman is liable for the amount of the bond, even though the agent be in the service of the company for 40 years. The bondsman's heirs and assigns are also attached. If the man succumbs to the temptation to drink heavily or gamble at the end of, say, five years, there is no let-out for the bondsman. I am seeking to outlaw this iniquitous provision. I have a letter from one of these assurance companies, which writes—

> Further to our conversation of the 20th inst. regarding default by ——, I have before me the bond form as discussed, and I am enclosing a duplicate form for your consideration,. At any time I would be pleased to discuss the matter further with you.

This was after a demand had been made. The demand was in this form—

> I regret to have to inform you that cash deficiencies against the abovenamed have been discovered, and as you are his bondsman I should like you to call and see me regarding the matter at your earliest convenience.

That was 2½ years after the bond was entered into. The bond provides a means for the companies to take advantage of the economic distress of applicants for positions. A man seeks employment with a company. His father and mother have been trying to obtain employment for him for some time, and they do not consider it any disability to sign a bond for £50. When they have signed that bond, no matter how long a period

elapses, there is no release for them from their obligations. I intend to move in Committee that that section be outlawed. The bond is a most remarkable one. Notwithstanding any legal or other proceeding, or failure to give notice, or anything of that sort, the bondsman in effect has to atone for the stealing or other offence of the agent concerned by paying the amount of the bond. That gives rise to distress, and I am sure that the House would regret the continuance of that disability.

Sitting suspended from 6.15 to 7.30 p.m.

MR. TONKIN (North-East Fremantle) [7.30]: When the present Minister for Employment some years ago made complaints in this Chamber about the preparation of certain insurance policies, and especially the various types of industrial insurance policies issued from time to time, he drew attention to the practice adopted by insurance companies when dealing with persons who had taken out policies. It is not often we find Ministers taking advantage of an opportunity to put right something about which they complained as being wrong when they were private members, but here we have an instance of that being done. I congratulate the Minister on not having forgotten things about which he complained here some years ago, and on taking advantage of this opportunity to right the wrongs of which he complained. An examination of the figures issued from time to time dealing with the number of policies current and the number of policies discontinued shows that there is something very much wrong with certain types of policies. For example, far too many policies are discontinued through forfeiture. The percentage of such policies is remarkable, and affords proof that something needs to be done to reduce considerably the number of policies forfeited each year. I have made an examination of the figures the Minister placed before the House, and I find that during the years 1928-1932, of the policies discontinued 46 per cent. were discontinued because of forfeiture, and that they represented 55 per cent. of the value of all policies discontinued. I also find that for the years 1934 and 1935, of the policies discontinued 44 per cent. were discontinued because of forfeiture and that they represented 51 per cent. of the value of such policies. Those figures relate to all insurance policies throughout Australia; but if we examine the industrial insurance policies only, then, taking the figures for the years 1928 to 1932, we find that of all industrial policies discontinued 72 per cent. were discontinued because of forfeiture, and that they represented 81 per cent. of the total value. It does appear that the number of policies discontinued yearly because of forfeiture is fairly constant—round about 45 per cent., and round about 50 per cent. of the total value. But if we take industrial policies, we find that over 70 per cent.—again a fairly constant figure—which are discontinued for any reason whatever, are discontinued because of forfeiture, and that they represent over 80 per cent. of the value of such policies.

If hon. members will reflect on those figures, they must come to the conclusion that over 80 per cent. of the value of discontinued policies represented by forfeited policies indicates something that is out of all proportion. It immediately directs our attention to the reasons for forfeiture. The major reason is that owing to high pressure salesmanship many people are induced to take out policies against their desire and beyond their capacity to pay. After they have commenced paying premiums on their policies and have come to a full realisation of the obligation they have entered into, they have found themselves obliged to discontinue the policies. That, in my opinion, is the real reason. I have taken the trouble to examine the methods adopted by agents whose business it is to sell this class of insurance. I cannot blame them, because their very livelihood depends on the number of these policies they are able to put on to the people. Naturally they would display the policies in the best possible light. They tell the persons whom they are canvassing that the policy is worth all sorts of things, that it represents a wonderful investment; but of course they say nothing about the shortcomings of the policy. One could not expect them to do that. If they did, they would make very little commission and would soon find themselves up against it, probably obliged to relinquish the job altogether and go on the Government for relief. The companies usually employ these agents on a commission basis. Some companies pay a very small amount as wages, to be made up by commission. Commission can be earned in two ways. It can be earned as the actual result

of premiums collected each week, and it can be made up of commissions paid for new business written. So that the agent has two incentives. He has the incentive to make a good collection from those who have already taken out policies, and he has the incentive to get additional policies taken out.

I know it to be the practice of agents to tell women who say that they have been instructed by their husbands not to take out assurance policies, to ignore their husbands in the matter; that it is a matter which concerns the wives personally, and that they are quite right not to say anything about it to their husbands, because the very small premiums can be paid out of the housekeeping money. A number of such cases have been brought under my notice. It is pointed out to the woman that the premium required is a very small amount indeed—1s. per week, and in some cases only 6d. per week. The housewife is told that she can quite easily find that premium out of the housekeeping money, and that there is no need whatever to tell her husband about it; that later on she and her children will reap the benefit of the policy. When the housewife says that she does not consider it right to do this without her husband's knowledge, the agent almost invariably tells her that there is nothing wrong in this matter, because men are so very, very busy and are not disposed to look at the subject in a proper light; that they do not consider the welfare of their children as mothers do, and that therefore mothers are quite entitled to use their own judgment in the matter. Hundreds of policies have been sold by those methods. Some time after people have entered into the obligation, they find that the policy is very poor value for the money invested. Then the policy is discontinued, and the insured person suffers the loss with no benefit whatever except that of having been covered during the short time premiums were paid.

I am glad an attempt is being made to secure better value for people by assurance. There is plenty of room for improvement. Probably it is true that the lapse of a policy during the early years of its currency is not a great source of profit to any company, because of the high expense ratio in the initial stages. It is true, however, that after a policy has been in force for about three years, its lapse is a source of profit to the company. The result is that a distinct inducement exists for companies not to worry greatly about policies that have been in force for three years or more. Companies do not make much effort to see that those policies are carried on; but it is distinctly to the advantage of the assurance companies to see that policies do not lapse in the first years of their currency, because if they do, not much profit is to be obtained. It is a good thing to provide that where people are unable to carry on policies which they have undertaken, they shall be relieved of the obligation to pay premiums and shall be given the benefit of the premiums they have paid. I am not advocating that a person who has paid, say, £20 in premiums shall get credit for £20 if he desires to discontinue the payment of premiums. That would be absurd. We have to realise that during the currency of a policy the company has carried the risk of paying the full amount of the policy upon the occurrence of a certain contingency. That risk is worth something and ought to cost the assured person something. So we shall have to provide that reasonable amounts may be deducted to repay the company for the risk it has carried and also to repay it for the amount of expense to which it has been put in the signing-up of the person who has taken out the policy. We know, too, that owing to the method of selling industrial assurance policies and owing to the method of collecting premiums, there is a particularly high expense ratio associated with that type of assurance. Therefore, the holder of such a policy cannot expect to receive anything like the surrender value that would be available in the case of an ordinary whole-life policy or an ordinary endowment policy.

We have to realise that industrial assurance is much more expensive because of the method by which the premiums are collected. Something could be done—I think the Bill represents an attempt in that direction—to make certain that all money invested by policy-holders is not lost to them in the event of their desiring to discontinue their policies. Many reasons arise from time to time that compel people to adopt that course. Some have taken out their policies when their financial circumstances were fairly satisfactory, but subsequently they have fallen upon bad times and necessity has obliged them to curtail their expenditure. In those circumstances they find it essential to discontinue their assurance poli-

cies. Provision should be made so that those people shall not suffer the total loss of their premiums. True, most companies provide for surrender values and for paid-up policies in order to relieve policy-holders from further obligation to pay premiums. That does not apply to any extent to industrial policies. The argument may be advanced in explanation that industrial assurance policies are usually for very small amounts, and in view of the high expense ratio little value attaches to such business, as a result of which it is hardly worthwhile making provision for the issue of paid-up policies. When an industrial assurance policy has been in force for four or five years only, the surrender value would not amount to more than a few shillings. Naturally, in such circumstances, difficulty would be experienced in providing for the issuing of a paid-up policy or even for fixing a surrender value. While admitting that, there is no reason why if some value did attach to the industrial policy, the holder should not receive some benefit, provided the company secured an adequate return for the risks carried while the policy was in force. If companies are prepared to make some such provision in respect to ordinary assurance, an arrangement should be arrived at regarding industrial assurance policies. One weakness of the proposition is that all are not mutual companies. If they were, the policy-holders would reap the benefit of any forfeitures so that in the end the position would average out and people who bought assurance would not lose anything. Many companies are not mutual, although they include the word "mutual" in their designations. They are, in fact, proprietary companies. That means that the shareholders in such companies benefit considerably from the amount of money accruing through the forfeiture of policies, and that is undesirable. We should provide that where policies are forfeited the people obliged to adopt that course shall receive the benefit of the accrued value, and that benefit should not go to the shareholders of the company. I admit that the non-forfeiture principle has been applied to ordinary assurance, and that is all to the good. It has proved helpful to many people, and the principle should be extended to all forms of assurance.

One of the developments in recent years has been the selling of what is known as group assurance whereby people can obtain, for a small weekly premium, similar benefits to those obtained by the holders of ordinary assurance policies, who pay their premiums quarterly, half-yearly or annually. Under the system of group assurance, there is scarcely any difference from the standpoint of premiums in comparison with those applying to industrial assurance, because group assurance can be obtained for the weekly payment of 1s., 2s., or some other small amount. The essential difference between the two forms of assurance—it helps the companies to make better provision—is that the collection of industrial assurance premiums is made from door to door, which is costly, whereas under the system of group assurance some person in a factory or an establishment is made responsible for the collection of premiums, which are deducted from the wages sheets each week or fortnight, and a single cheque is sent to the company, under which arrangement the cost of collection is infinitesimal. While it is of distinct advantage to the policy-holder to be able to pay his premiums weekly under those conditions, the great benefit is apparent in the better value he secures under the system of group assurance. He can assure for a much greater amount and can enjoy all the benefits that apply to ordinary assurers. He has the advantage of the non-forfeiture principle, the surrender value attaching to his policy and also its loan value. Industrial policies have scarcely any loan value, and most companies refuse to lend on them at all. On the other hand, a person participating in group assurance has the advantage of being able to raise a loan on his policy at a reasonable rate of interest per cent. When we consider the explanation of why companies can provide all these benefits to group assurers, but cannot do so with respect to industrial assurers, the reason is to be found in the lower expense ratio attaching to group assurance. That suggests we should devote our attention to reducing the cost of assurance to enable greater benefits to be secured by policy-holders.

The Victorian Commission submitted one recommendation that the conditions under which policies were issued should be endorsed not only on the policies, but in the premium receipt books with which policy-holders are

provided. I regard that as most important. Experience teaches us that the average person pays little attention to a contract into which he may enter. He signs on the dotted line and takes for granted what he has been told. Later on when he gets into difficulties and reads the terms of his contract, he finds he has contracted to do things of which he possessed no knowledge. If the conditions are clearly shown on the policy and in the premium receipt book, we should expect policy-holders to realise the conditions under which they have taken out their assurance. There would be less likelihood of their finding one day that their policies had lapsed because they had not paid their premiums. The member for Pingelly (Mr. Seward) has certain amendments on the notice paper which seek to relieve the companies of the necessity to send out notifications by registered letter when they intend to forfeit policies. He seeks to provide for a certain specified time after which a policy will automatically lapse. That would be all right provided we could be sure that the policy-holder knew the conditions under which his policy would lapse. For example, if we could be positive that he knew that if he failed to pay his premiums for six weeks when his policy had been in force for only 12 months the policy would automatically lapse, then there would be no necessity to send him any notification. One means by which we could endeavour to be certain that the policy-holder was aware of the conditions would be to have some intimation to that effect set out clearly in block type in his premium receipt book. Of course, there would still be the probability that many people would not read what appeared in that heavy type and ultimately would be quite astonished to learn of the forfeiture provision. Such people may handle their premium receipt book week after week and never read what was contained therein. I admit that danger, but if we do not provide for some notification being sent to policy-holders, we should adopt other means to bring clearly before their notice the conditions under which policies may be forfeited. I am inclined to think we would have to face additional expenditure to gain that end unless notices are sent out by the companies. Unfortunately, we must realise that people will not read the notifications embodied in their premium receipt books, nor will many read letters that are despatched to them. Nevertheless, something must be done, and I consider the companies should send out notices. Before any policy is forfeited due notice should be sent of that fact, and the policy-holder should be given an opportunity to make good the arrears of premiums.

The Bill makes provision for certain formulae for the calculation of surrender values and the value of paid-up policies. Many of those provisions are open to argument, depending upon the point of view. If one were on the side of the assurance companies, one would view the formulae from a different angle to that adopted by another acting on behalf of a policy-holder. Possibly considerable argument will arise on that point. I have given some study to the provisions of the Bill and have discussed them with the Government Statistician. The Bill provides a fair and reasonable method for dealing with this problem. Although at first I was not satisfied on the point, I now believe that the formulae provide a reasonable basis for calculations. The interests of the assurance companies are not lost sight of. There is ample evidence that due appreciation is given to the fact that the companies have to carry certain risks.

I hope that the Bill will have a speedy passage. The legislation is undoubtedly needed and it will be very helpful to a large number of people. Before I resume my seat I should like to make reference to two points made by the Leader of the National Party. He drew attention to the fact that the Federal Government intended to introduce legislation to deal with the question, and he said, in view of that, even if State legislation were passed, that legislation would be superseded by the Federal law, and therefore it would be better if the whole matter were left to the Federal authorities. No doubt the Victorian Government knew that the Federal authorities intended to do something in this matter, and yet that Government thought fit to go ahead with is own legislation. If we were to wait we might find that the Federal Government could deal with this question in somewhat the same way as it dealt with the national insurance question, and that would be unsatisfactory. I would far rather see this Parliament pass the Bill now before us and then, if the Commonwealth Government should do something subsequently which superseded our legislation, no harm would be done. The Bill before us is a good one and

it merits a quick passage through the House. One other point refered to by the Leader of the National Party was the fact that assurance companies frequently receive only one premium from the person assured, the person then dies and the company is faced with the obligation of paying out the whole of the amount of the assurance.

Mr. McDonald: I did not say frequently.

Mr. TONKIN: No, the hon. member did not. He said such occasions did occur. That does not make any difference, because, when premiums are fixed, they are fixed by the companies with the full realisation that such cases will and do occur. The companies know that in some instances people will die shortly after the first premium has been paid. The companies expect that, but they make due provision for it in the fixing of the rates, and the matter has been brought down to such a fine art that the companies can tell within a very small decimal fraction what their expense rate will be, what their claims rate will be, and so on. Very little is left to chance. In fact, I would say that with most companies, not all, the element of gambling is eliminated altogether. The business is reduced to a proper and sound basis and they have their actuarial calculations to guide them. In fact, the business is fined down to such a nicety that the companies run very little risk indeed, and although they will show that at times they pay out £5,000 when they have received only one premium, yet that does not make any difference to them in the year's operations. When they fix the premium rate to be charged, they are not gambling at all, but they are making every provision. Consequently, we need not worry about the companies in that regard. It may be that the Bill, in its initial stages, will cause some slight upset and may have a distinct bearing on the companies' actuarial calculations. They may have to recast a lot of their calculations, but no doubt they will meet that situation just as easily as they have met others that have arisen. Members are aware that although the mortality rate was tremendously increased owing to the war, that eventuality did not bring about a collapse of the companies; they were able to withstand the extraordinary drain on their resources. The Bill is not likely to have anything like that effect. So I have no fear of any serious repercussion that way. I am satisfied the companies will speedily adjust themselves to the new position, with consequent benefit to the policy holders. I support the Bill.

THE MINISTER FOR EMPLOYMENT (Hon. A. R. G. Hawke—Northam—in reply) [8.7]: I wish to express appreciation of the friendly attitude members have shown towards the Bill. It has been suggested that the Commonwealth Government has made an announcement to the effect that Federal legislation will be introduced next year to deal with assurance matters. We have had too many announcements of that kind from time to time to be very much impressed by them. As far back as 1925 it was stated that a comprehensive Bill had been drafted by the Federal Government and would be introduced in the near future. Thirteen years have passed and no steps have been taken to bring that proposed legislation before the Federal Parliament for discussion and decision. If the Federal Government does bring forward legislation of a comprehensive nature next year to deal with assurance matters, that legislation, where ours clashes with it, will be superior to ours and will, of course, be operative throughout Australia. Our Bill proposes to deal with industrial assurance and life assurance and members have suggested that we should limit the operations of the measure to industrial assurance business only. I have not heard one impressive argument advanced in favour of limiting our Bill in that regard. It was certainly stated that the Victorian Royal Commission made recommendations dealing with industrial assurance only. It was also stated that the Victorian Act recently passed dealt only with industrial assurance business. Both statements are correct. The answer is that the Victorian Royal Commission was definitely restricted to investigating industrial assurance business. It was so restricted by the terms of reference under which it was appointed. That Commission had no right whatever to make any investigation into any class of assurance business other than that associated with industrial matters. Consequently, it was not able to investigate the position regarding ordinary life assurance business. In view of the fact that the Victorian Government received recommendations dealing only with industrial business, it was but

natural that the Government of that State should introduce legislation incorporating the recommendations made by the Commission. Members have stated that it would be very difficult to apply this class of legislation to other than industrial policies. The reply to that is that the State of Queensland in 1933 passed legislation covering life as well as industrial assurance policies. Section 30 of the amended Act passed in Queensland in 1933 reads as follows:—

> A policy-holder who desires to discontinue further premium payments on an ordinary whole-life assurance policy or on an ordinary endowment assurance policy which has been in force for three years or upwards on an industrial whole-life assurance policy or an industrial endowment assurance policy which has been in force for four years or upwards shall, on application to the company be entitled to receive the surrender value less any lien the company may have on its policy.

Therefore it is clear that legislation similar to that now before the House has been operating in Queensland for five years. Life assurance policies have been covered there. Earlier in the year I had a letter sent to the Government of Queensland inquiring as to the operation of the legislation in that State. The information I received was to the effect that the legislation has proved a success and has given policy-holders a right previously denied to them, but to which payment of their premiums reasonably entitled them. I see no difference in principle in protecting the holders of a whole-life policy or a life endowment assurance, and the holder of an industrial assurance policy. Each class of policy-holder is entitled to such reasonable protection as is within the power of Parliament to give.

If the Bill passes, other States will no doubt follow the example set by Queensland and Western Australia and in due course pass similar legislation. The member for Pingelly (Mr. Seward) quoted some figures showing the number of policies that have lapsed in Queensland during recent years. No one has claimed that policies will not now lapse in Queensland, nor that policies are not still being forfeited in Queensland by the companies. The Queensland legislation affords no protection to a policy-holder unless his policy has been in force for at least three years in the case of ordinary life assurance, and for at least four years in the case of industrial assurance. Evidently, therefore, policies which have been in force for less than three years in the one instance, and less than four years in the other, are still being forfeited in Queensland, and will continue to be forfeited. The statement was made that the operation of some of the provisions of this Bill would involve the companies in much expense in forfeiting policies, the premiums on which were in arrears. The Bill places no legal compulsion on any company to forfeit a policy. The companies will still exercise their discretion when deciding whether a policy is to be forfeited. The companies are hardly likely to forfeit a policy if the cost of forfeiture is so great as to make the procedure unprofitable. A reasonable suggestion is that companies forfeit policies because it pays them to do so. If this legislation has the effect of making forfeiture unprofitable, because a company has to spend 6d. on a registered letter or expend some other amount in another direction, the obvious course for the company to pursue is not to forfeit the policy in those circumstances.

The member for West Perth (Mr. McDonald) informed the House that the large insurance companies in Victoria were proposing to adopt throughout Australia the provisions of the recently passed Victorian Act. It is encouraging that that is likely to happen. Our only regret is that such contemplated action was not taken previous to the searching investigation made into this section of the assurance business by the Victorian Royal Commission. If the Bill passes in its present form, similar legislation will be operating both in this State and in Queensland, and no obstacle will be in the way to prevent the operation of the legislation in all the States of the Commonwealth. If that reasonable step is taken, then policy-holders in each State will enjoy a much greater measure of protection than they enjoy at present, and a measure of protection, I suggest, to which they are justly entitled.

The practices indulged in by agents and canvassers for assurance business were discussed by most of the speakers this afternoon and to-night. This is a very difficult question. One wonders whether it is right to condemn the agents and canvassers, or to sympathise with them. They have no award or industrial agreement or legal set of working conditions and wages granted to them. Consequently, some companies enforce conditions upon them which leave them no choice but to indulge in discreditable prac-

tices and so gain a reasonable livelihood, or to refuse to indulge in such practices and make no living at all. To say how each of us would measure up under such conditions is impossible. When introducing the Bill I criticised the methods of the agents. I feel now they are probably deserving more of pity than of blame. It is unfortunate that they have not the right to approach some legally-established tribunal in order to obtain better working conditions and the remuneration that they should receive for their services.

I was particularly impressed with that portion of the speech of the member for Avon (Mr. Boyle) where he made reference to the practice of most, if not all, companies in demanding that a prospective agent or canvasser must obtain guarantees from two bondsmen before he has the slightest chance of obtaining employment with an insurance company. If the member for Avon will move an amendment along the lines he suggested, I shall give it every consideration.

Hon. C. G. Latham: You ought to say that you will adopt it.

The MINISTER FOR EMPLOYMENT: If the Leader of the Opposition would indicate his approval of such an amendment, I am almost prepared at this moment to say I will adopt it.

Mr. Styants: You are committing yourself.

Hon. C. G. Latham: You had better go no farther; you are just on the edge.

The MINISTER FOR EMPLOYMENT: In conclusion, I again thank those members who spoke to the second reading for their treatment of the Bill. I particularly express my appreciation of the detailed information furnished by the member for North-East Fremantle (Mr. Tonkin) regarding the methods employed by agents and companies to obtain industrial assurance business.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Sleeman in the Chair; the Minister for Employment in charge of the Bill.

Clause 1—agreed to.

Clause 2—Insertion of new section 33B:

Mr. SEWARD: I move an amendment—

That subsection (1) of proposed new section 33B be struck out and the following inserted in lieu:—

33B. An industrial life assurance policy shall not be avoided on account of the non-payment of any premium unless—

(1) where the policy has been in force for less than one year—the premium has been unpaid for not less than four weeks after it became due and payable;

(2) where the policy has been in force for one year and less than two years—the premium has been unpaid for not less than eight weeks after it became due and payable;

(3) where the policy has been in force for two years and upwards—the premium has been unpaid for not less than twelve weeks after it became due and payable.

This provision was recommended by the Victorian Royal Commission after having investigated all the proposals that had been put forward not only in Australia, but also in England, as likely to afford the protection necessary for policy-holders. I agree with the member for North-East Fremantle that the provision should be set out in plain terms not only in the policy, but in the receipt, so that policy-holders will have no reasonable excuse for not knowing that their policies will lapse if the premiums are not paid. The Victorian Royal Commission specially emphasised that this provision should be included in the policies. Wrapped up with this clause is the amendment which the Minister proposes to move, providing that before a policy is forfeited the holder must be notified by registered letter. That this is not necessary is borne out by the report of the Royal Commission. That document states it is questionable whether the obligation to give notice before exercising the right of forfeiture should be imposed upon companies. Such an obligation, it is pointed out, would cast a further burden upon companies without any corresponding advantage to policy-holders, because policy-holders who are not aware of the conditions of forfeiture of their policies are comparatively few. If companies have to incur this additional expense, it will be passed on to the policy-holders.

The MINISTER FOR EMPLOYMENT: The main effect of the hon. member's amendment would be to reduce the Bill to one

dealing only with industrial assurance policies. I must, therefore, oppose it. I am, however, in favour of the principle contained in the amendment, because it aims at including in the measure a protection to a group of policy-holders that is not so far afforded protection. The Bill gives protection to policy-holders after their policies have been in operation for at least three years, but the hon. member's proposal would give protection against forfeiture to a policy no matter how long it had been in operation, and even if it had just been taken up. I am anxious to give protection to the group of policy-holders covered by the amendment, and though I am prepared to accept most of what is set out in the hon. member's amendment I am not prepared to agree to the deletion of Subclause 1. The subclause provides that no industrial or life assurance policy shall lapse to the company except in certain circumstances. I have given to the hon. member, as well as to the Leader of the Opposition and the Leader of the National Party, copies of an amendment I propose to move to Clause 2 in the event of the amendment now before the Committee being defeated. My amendment would provide the same protection where a policy had been in force for one year, two years, and up to three years, as is provided in the hon. member's amendment.

Mr. McDONALD: The major difference between the Minister and myself is on the question whether this Bill should extend to ordinary life assurance or be limited to industrial life assurance. An overwhelming majority of policies in Australia is held with mutual life assurance companies. We can, therefore, eliminate any question of shareholders' benefits. When we alter the law we take some benefits out of the pockets of one set of policy holders and put them into the pockets of another set. In this case it is proposed to reduce some of the benefits now received by policy holders, who continue to pay their premiums, in order that they may be conferred upon policy holders who in the past have forfeited their policies. Parliament would be justified in bringing about an equitable distribution of a company's funds as between the two classes of policy holders. We all wish to decrease costs, because that would mean the contract of insurance being of greater benefit to the policy holders. It would be desirable that the rights of policy holders in ordinary assurance should be subject to examination and statutory regulation. When the Victorian Legislature decided that statutory regulation was desirable in the case of industrial life assurance, the first thing it did was to appoint a Royal Commission of professional men, three of the four being actuaries. The Commission said to the insurance companies, "Before we alter your existing contracts of assurance we are going to hear what you have to say, and we will hear what your actuaries have to say." The Commission then made certain recommendations. That is a just and business-like method. It is now proposed to apply to the ordinary life policy a basis of calculation which the Victorian Commission said was equitable for industrial life policies. We have no evidence that such calculations can properly be applied, and have not given assurance companies an opportunity to say whether this class of legislation is applicable to ordinary policies. The Queensland Act of 1933 is a different proposition. In that State companies can be called upon in the case of ordinary, and of industrial assurance in certain circumstances, to pay a surrender value. That surrender value is based upon the company's own actuarial calculations. It varies with each company, and is arrived at in accordance with the basis upon which the company's contract with the policy holder has been made, and on which it has been operating. This Bill takes a flat basis of calculation and applies it to all companies. The result will be that, without this legislature having made any inquiries as to the views of companies concerning ordinary insurance, we are going to apply to the contractual relationship between the policy holder and the company the basis of a flat rate that has been decided by Victoria to be good for industrial assurance, but which has never been subjected to an examination by any tribunal as it concerns ordinary assurance. The matter has not been referred to the companies with a view to representations being made by their professional advisers. Before we interfere with the contracts regarding ordinary assurance made by companies as to which they have built up reserves and made certain provisions, we should give them the opportunity to make suggestions. It is not a matter of protecting shareholders because the companies in this country are overwhelmingly mutual. The Queensland Act as I read it is based on an entirely different principle.

Ordinary policies have been issued upon which it is expected to pay a certain amount by way of surrender value based on a certain calculation, mortality rate or interest rate, and those are not uniform with all companies. Having made provision to pay those amounts to any policy-holder who claims a surrender value, we may by the Bill be imposing on a company the liability to pay a much greater rate than by the arrangement under which it had provided to pay. If by the Bill we impose on a company the obligation to pay more by way of surrender value, then the companies will increase their rates on new assurances to recoup that liability.

Mr. TONKIN: The member for West Perth asks that we should not amend the Act to make the provision apply to ordinary as well as industrial assurance, and he argues that it may be that the provisions, if imposed upon ordinary insurance, would have the effect of upsetting calculations that might be made, and might result in some difficulty being experienced. If it is fair and reasonable to impose these provisions on industrial assurance, then it must be fair and reasonable to impose the same provisions on ordinary assurance.

Hon. N. Keenan: They are wholly different benefits.

Mr. TONKIN: Possibly, but would the hon. member argue that in the one instance insufficient benefits are being given because the companies are taking too large premiums.

Hon. N. Keenan: It is a different risk.

Mr. TONKIN: The provisions in the Bill are not out of the ordinary inasmuch as they are not requiring the companies to provide something for industrial assurance that is going to be beyond us. If it is not going beyond us in respect of industrial assurance, it will not be beyond us for ordinary assurance. I do not consider there will be any hardship whatever on the insurance companies if we apply to ordinary assurance what we are trying to apply to industrial assurance.

Hon. N. KEENAN: It is much to be regretted that a matter of this importance is being dealt with in such a thin House. It is a matter that may possibly do a lot of damage, if the House does not proceed on right lines. Yet here we are with a few members around us, and most of those members asleep, with perhaps the exception of the member for North-East Fremantle.

Mr. Needham: That is a reflection on the House.

Hon. N. KEENAN: As I said, what we are doing may result in infinite damage to a matter of the greatest importance, namely, assurances that are taken up by the great mass of the people on their ordinary lives. I agree that the question of assurance for industrial purposes needs immediate attention, and I also agree that we are justified in acting on the report of the Victorian Royal Commission which went very fully into the matter. That, however, is the beginning and the end of it. There has been no commission appointed and no report before us to guide us on the matter of ordinary life assurance. I listened with a great deal of interest to the speech of the member for North-East Fremantle (Mr. Tonkin) who appeared to have a thorough and also very intelligent grip of the whole position. But I regret to say that he made no distinction between life and industrial assurance. He began with industrial assurance as the right, left and centre without any selection whatever. In that respect there is no medical examination; there are no proposals whereby a person is bound to disclose any illness he may have had in the past. He need not say anything about events that would disqualify him from coming within the scope of the ordinary everyday life, nothing about habits or whether he is addicted to drink or whether there is anything likely to curtail the currency of his life. And so the category is entirely different from that of ordinary life assurance. Life assurance as conducted by mutual companies means the creation of a pool in which every care is taken, and which is contributed to by persons having an average life. Those persons are subject to medical examination, and they are bound to disclose their past and everything that would be likely to militate against an average life, and on those facts, and they are binding facts, the assurances are effected. If the facts are found to be falsely stated they vitiate the policy. If the policy be accepted it is calculated to return certain benefits, and everyone who has taken out a policy with any of the companies knows that that policy in the course of an ordinary human life more than doubles itself.

Thus if a person has taken out a policy for £500 and has been able to continue the payment of premiums, if he lives the ordinary length of life, his beneficiaries will receive more than double the amount for which he was assured. That is the inducement to assure. The Bill is going to tinker with the existing position and will do a great deal of damage. I admit that if a Royal Commission had inquired into the whole structure of assurance, ordinary as well as industrial, it might have suggested some improvement on the conditions we have before us. I am talking about the mutual companies, and they write 90 per of the assurances of the people in Australia. The pool is by careful calculation capable of standing a certain strain and giving all the benefits that are highly desirable and that every man who is assured values as much as he values the original sum for which he is assured. If anything is taken out of that pool and given away, not perhaps intentionally but by incautious legislation, those who subscribe to the pool, expecting those benefits, will be deprived of portion of them. That means that life assurance will be discouraged. It is a magnificent feature of Australian life that so much assurance is carried by the people of the country.

Hon. C. G. Latham: It is fostered by the Government; the Government's employees have to be insured.

Hon. N. KEENAN: The proposal is outrageous. We do not know what will happen as the result of a Bill of this kind. A most desirable and almost necessary practice will be discouraged. I hope the Minister will accept the suggestion made by the Leader of the National Party which will ensure that the Bill deals only with what is right and proper, namely, industrial assurance. When representatives of the A.M.P. and the National Mutual and other great assurance offices have been able to explain how the companies arrive at the benefits now given to assured persons and to point out what difference would be made if certain changes were effected, legislation can then be proceeded with on assured grounds. At present we are proposing to make a jump in the dark that may be disastrous.

Mr. BOYLE: I regret that the Minister has not seen fit to accept the amendment of the member for Pingelly. There is a tremendous difference between industrial and ordinary life assurance. Ordinary life assurance, as the member for Nedlands has pointed out, is subject to many restrictions that do not apply to haphazard industrial assurance. I do not think any of us wishes to be guilty of interfering with the provision that has been made in the ordinary life assurance policy. I have no desire to obtrude my personal experience, but I would point out that in the year I was married I took the precaution of assuring my life against eventualities.

The Minister for Employment: A very wise move.

Mr. BOYLE: Notwithstanding all the tribulations I have been subject to, one consolation I have is that if I now shuffle off this mortal coil my policy will be worth twice as much as when I originally took it out. I do not wish that to be interfered with in the light-hearted manner adopted by the Minister. To alter one's opinion in view of convincing arguments is a sign of greatness. I regard the Minister as a great man in many ways and he would do well to accept the good advice tendered to him by the member for Nedlands and myself.

The MINISTER FOR EMPLOYMENT: The member for Avon proved that there is a tremendous difference between ordinary life assurance and industrial assurance policies. That, however, did not require to be proved. Everyone knows it. He did not prove, nor has anyone who has spoken against the clause, that there is any difference between the necessity for protecting the holder of an industrial assurance policy and the protecting of the holder of an ordinary life assurance policy. That is the point to be considered. Is there not just as much need for the holder of an ordinary life assurance policy to be protected against forfeiture without any recompense as there is for the holder of an industrial assurance policy to be so protected? When the member for Nedlands rose I felt he would destroy or attempt to destroy the solid arguments put forward by the member for North-East Fremantle. However, I think he substantiated those arguments and made them stronger than they were. He proved that the ordinary life assurance business is safer and much more profitable than industrial assurance, and that the companies would be called upon in far fewer instances to recompense or

protect the holders of ordinary life assurance policies than to protect industrial life assurance policy-holders. We know that industrial assurance is the least profitable form of assurance business, and that it is the class of business in respect of which the companies are less capable of providing protection and recompense. Yet while every member of the Committee appears to be enthusiastically in favour of legally compelling the companies to provide protection and recompense to holders of industrial policies, some are hesitating to call upon the companies to provide recompense and protection to holders of life assurance policies. The member for Nedlands talked about some pool. He seemed to argue that we should protect the holders of life assurance policies who are receiving in bonuses in each year more than their premiums.

The question of bonuses might very well be investigated. I believe they have been built up to extravagant proportions as a result of the money made by the companies out of policies forfeited to them by people who, through unfortunate circumstances, have been unable to continue their policies. If any class of policy holder deserves the interest and protection of Parliament, it is not the policy-holder receiving more in bonuses each year than he is paying in premiums, but the policy-holder who, through unfortunate circumstances, is unable to find money to keep his policy covered. The provision in the Bill calling upon companies to give equal protection to the holders of an ordinary life assurance policy will not operate very frequently. I understand most companies, especially the mutual companies, give protection equal to or greater than the Bill proposes to provide. Therefore the position of a mutual company is not likely to be affected to any extent. To the extent to which it is affected will the policy-holder in such a company be protected and benefited, and there can surely be no logical argument against that. Some non-mutual companies do not provide protection equal to that provided in the Bill. It should be remembered that the Bill aims reasonably to protect policy-holders. The argument seems to be that Parliament should accommodate its legislation to the conditions and practices of the assurance companies. I consider that Parliament is entitled to say that the assurance companies shall accommodate their conditions and practices to the legislation Parliament considers necessary.

Mr. McDONALD: The Minister said that we had to face the real point that the ordinary life assurance policy-holder is entitled to the same protection as the holder of an industrial policy. We did not mention that, because it was taken for granted. There is not a single member of the Committee who does not feel that it is desirable that there should be legislation to regulate the rights of the holders of life assurance policies in the same way as industrial assurance policy-holders are protected. Suppose a man has two children. One falls ill, and the father sends for the doctor. The doctor prescribes medicine, and that is given to the sick child. Then the father sees that the other child is also ill. But he does not send for the doctor: he gives the second child the same medicine as the doctor prescribed for the first child. That is what the Minister is doing here. The doctor has prescribed for industrial assurance, and the Minister wants to give the same medicine for ordinary assurance. Speaking just now the Minister said—I believe—that the interests of ordinary assurance would not be extensively affected by applying to it the provisions recommended by the Royal Commission with regard to industrial assurance. I want to know what justification there is for believing that ordinary assurance will not be extensively affected.

The Minister for Employment: The bigger mutual companies will not be.

Mr. McDONALD: I want to know whether they will be affected at all. Finally, it is not the companies but the policy holders. Will the policy holders be affected adversely, or favourably? We do not know. I would like some extra guidance to show that these provisions are equally applicable and beneficial and equitable in the case of ordinary assurance.

Mr. SEWARD: I am quite prepared to accept the Minister's suggestion that the question of bonuses might be investigated by a Royal Commission, and also the ordinary life policy work of companies; but like other members I feel that in applying the measure to ordinary life assurance as well as industrial life assurance we are doing something which, as has been said, we have not sufficient warrant for doing, and by which we may seriously affect the companies. The Royal Commission that inquired in Vic-

toria was charged with the duty of investigating the position regarding industrial assurance companies. Surely from the very fact that that was the charge entrusted to that commission we are justified in concluding that in Victoria there was no fear that ordinary life assurance was operating unsatisfactorily. The Royal Commission took evidence from all available sources in connection with industrial assurance. By setting up an inquiry such as I have indicated, an opportunity would be afforded to officers of companies to place their information before the commission, and that information would guide us before we did anything affecting policy holders. There is the case of a policy of £200 on which premiums were paid for four years, at the end of which time the policy holder could not continue his payments. When that occurred, the company followed its usual practice—assessed the surrender value or equity, but did not offer that to the policy holder; on the contrary, it utilised the amount of the equity in keeping his premiums paid up. By so doing it was able to keep the policy alive for a further six years. Just before the expiry of the six years, the unfortunate policy holder died; but his relatives were enabled to receive £250 after deduction of £30 which had been used by the company to pay premiums. Had the company followed the procedure laid down by Clause 2 and arrived at the surrender value, the beneficiaries would have received only about £20. I suggest that the operation of the Bill be restricted to policy holders, pending further investigation.

Mr. TONKIN: Listening to the arguments of Opposition members, one would think that the imposition of these proposals would take something from policy-holders and give that something to outsiders. In fact, the result will be merely to take something from policy-holders and give it to people who are already policy-holders but who cannot continue further and therefore wish to withdraw. We want the non-forfeiture principle applied to ordinary assurance. Most companies of their own volition have already adopted that principle, and no hardship will be occasioned by forcing other companies to adopt it. Further, we seek to make it obligatory on companies to provide paid-up policies for policy-holders who cannot continue payment of premiums. But if we provide paid-up policies for policy-holders, we are not taking something from policy-holders already there and giving it to outsiders, but simply giving to a section of policy-holders in ordinary assurance the right to continue as policy-holders on a different basis. They are given a paid-up policy and are released from the obligation to find additional premiums. Whom will that affect adversely? Possibly only the policy-holders who continue on the old basis and therefore continue to pay the premiums. Lastly we propose to provide a surrender value for policy-holders of ordinary assurance who do not wish to continue with paid-up policies but desire to get out altogether. I challenge any member to say that the provisions of the Bill are such that in the calculation of surrender value any hardship will be imposed upon those who remain as policy-holders in the company. With ordinary assurance the formula adopted for the calculation of surrender value will give a higher surrender value than the formula here will provide. If the result is to make some companies pay a better surrender value, that will not be taking from policy-holders to give to somebody outside but will simply be taking from continuing policy-holders something to make a reasonable and just provision for people who have already been policy-holders but who cannot continue. There is nothing wrong with that. If these proposals meant that something would be taken from policy-holders and given to outsiders who had nothing to do with the company, there would be some point in the arguments adduced against the proposals.

Mr. Watts called attention to the state of the Committee.

Bells rung and a quorum formed.

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

Ayes	17
Noes	20
Majority against ..	3

AYES.

Mr. Boyle	Mr. Sampson
Mrs. Cardell-Oliver	Mr. Seward
Mr. Ferguson	Mr. Shearn
Mr. Hill	Mr. Thorn
Mr. Latham	Mr. Warner
Mr. Mann	Mr. Watts
Mr. McDonald	Mr. Willmott
Mr. McLarty	Mr. Doney
Mr. Patrick	*(Teller.)*

Noes.	
Mr. Coverley	Mr. Nulsen
Mr. Cross	Mr. Raphael
Mr. Doust	Mr. F. C. L. Smith
Mr. Hawke	Mr. Styants
Mr. Hegney	Mr. Tonkin
Mr. Lambert	Mr. Troy
Mr. Leahy	Mr. Willcock
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Wilson
	(*Teller.*)

PAIRS.

Ayes.	Noes.
Mr. Keenan	Mr. Collier
Mr. J. M. Smith	Mr. Fox
Mr. Welsh	Miss Holman

Amendment thus negatived.

The MINISTER FOR EMPLOYMENT: When discussing the amendment moved by the member for Pingelly, I indicated my agreement with the principle embodied in it, namely, that protection should be given to policies in force for a period up to three years. In order that the principle may be embodied in the Bill I move an amendment—

That the following, to stand as Subsections 2 and 3 of proposed new Section 33B, be inserted:—

"(2) A policy other than a policy to which the provisions of the preceding subsection apply shall not be avoided on account of the non-payment of any premium unless—

(1) where the policy has been in force for less than one year—the premium has been unpaid for not less than four weeks after it became due and payable;

(2) where the policy has been in force for one year and less than two years—the premium has been unpaid for not less than eight weeks after it became due and payable;

(3) where the policy has been in force for two years and not more than three years—the premium has been unpaid for not less than twelve weeks after it became due and payable.

(3) In any case where a policy-holder is in default under any of the provisions of the two preceding subsections of this section and as a consequence of such default his policy is liable to forfeiture, the company concerned shall not be entitled to forfeit, avoid or lapse such policy until after:—

(a) notice stating the amount due or payable at the date of the notice and informing him that, in default of payment by him within a reasonable time, not being less than thirty days from the date of service of the notice, and at a place to be specified in such notice his policy will be forfeited, has been served upon him by or on behalf of the company either personally or by leaving the same at his usual or last known place of abode or business, or by sending the same by post addressed to him by registered letter at such usual or last known place of abode or business; and

(b) default has been made by him in paying his contribution or premium in accordance with that notice, together with any additional contribution or premium which has become due or payable up to the date of payment."

Clause 2 originally provided protection for policies in force for two years and upwards, but none for those in force for less than three years. The amendment will deal with the latter section, which I think desirable.

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

Clause 3—Insertions of new Sections 47A, 47B and 47C:

Mr. SEWARD: I move an amendment—

That after the word "payable" in lines 4 and 5 of paragraph (b) of Subsection 1 of proposed new Section 47B, the following words be inserted:—"It shall be a sufficient discharge of the obligations on the company under this subsection to furnish the policy-holder with such documentary evidence if such evidence is either delivered at the last known place of abode or business of the policy-holder in a wrapper or envelope addressed to him thereat or sent so addressed prepaid through the post."

The amendment will specify the manner in which documentary evidence shall be furnished and will facilitate matters so that disputes may be avoided.

The MINISTER FOR EMPLOYMENT: I am prepared to accept the amendment with a slight alteration. I move an amendment on the amendment—

That the amendment be amended by striking out the words "prepaid through the" and inserting the words "by prepaid registered" in lieu.

Amendment on amendment put and passed.

Amendment, as amended, put and passed.

Mr. SEWARD: I move an amendment—

That at the beginning of paragraph (a) of Subsection 2 of proposed new Section 47B the words "subject to the next succeeding subsection" be inserted.

Provision is made for arriving at the amount of the paid-up policy and the surrender value, but not for deducting any amount borrowed on the security of the policy. I

shall later move an amendment to deal with the latter phase.

The MINISTER FOR EMPLOYMENT: I have no objection to the amendment.

Amendment put and passed.

Mr. SEWARD: I move an amendment—

That the following sub-paragraph be added to Subsection 2 of proposed new Section 47B:—"(c) When pursuant to the foregoing provisions of this section a company is requested to grant a paid-up policy to an industrial policy-holder, and there are any moneys owing to the company on the security of the original policy, the company may elect—

(a) to treat the moneys so owing as moneys secured on the paid-up policy and thereupon the paid-up policy shall be a security for the moneys so owing; or

(b) in the ascertainment of the amount of the paid-up policy to reduce the same by taking into account upon a basis approved by the Government Statistician the moneys so owing to the company, and thereupon such moneys shall cease to be owing to the company:"

The amendment will merely make provision for the company deducting any amount paid out by way of loan on a policy.

The MINISTER FOR EMPLOYMENT: I have no objection to the amendment apart from one phase respecting which I shall move an amendment. Provision is made for granting a paid-up policy to an industrial policy holder. I desire to delete the reference to the industrial phase. I move an amendment on the amendment—

That the amendment be amended by striking out the words, "an industrial" in line 3 and inserting the letter "a" in lieu.

Amendment on amendment put and passed.

Amendment, as amended, put and passed.

Mr. SEWARD: I move an amendment—

That after the word "policy" in line 5 of Subsection (3) of proposed Subsection 47B the words "in respect of the period" be inserted.

The addition of the words will be necessary because bonuses are not allotted until some months after the period to which they refer, and it is necessary to insert the words to indicate the period to which they apply.

Amendment put and passed.

Mr. SEWARD: I move an amendment—

That after the word "policy" in line 2 of Subsection (1) of proposed Section 47C the words "which has been in force for a period of six years" be inserted.

This amendment seeks to ensure that the policy must have been in force for six years before the surrender value can be obtained.

Amendment put and passed.

Mr. SEWARD: I move an amendment—

That the following paragraph to stand as paragraph (c) be added to Subsection (3) of proposed Section 47C:—

(c) Notwithstanding anything in the foregoing provisions of this section the surrender value which a policy-holder is entitled to receive as aforesaid shall not in any case exceed the amount which would be payable under the policy upon the death of the person whose life is assured if such death had occurred on the date when the application aforesaid was received by the company.

The object of this paragraph is simply to make provision that a paid-up policy shall not exceed the amount due in the case of death.

The MINISTER FOR EMPLOYMENT: I understand this amendment is in line with the Commonwealth legislation, and therefore I do not propose to offer any objection to it.

Amendment put and passed.

Mr. SEWARD: I move an amendment—

That a new subsection to stand as Section 47D be added as follows.—

47D. The Governor in Council upon being satisfied that—

(a) a time of financial emergency exists; and

(b) the payment in cash of surrender values for policies in pursuance of this Act would be prejudicial to the financial stability of the companies carrying on life assurance business in Western Australia,

may by proclamation published in the "Government Gazette" suspend for such period as the Governor in Council thinks fit the operation of the last preceding section.

That provision will enable the Governor to suspend payment of the surrender value if the financial position warrants such action being taken. It would be inadvisable at certain times to create a run on the companies that it might not be possible for the companies to withstand.

The MINISTER FOR EMPLOYMENT: I am sorry I am not able to accept this amendment. It proposes to give the Governor in Council power to suspend the payment of surrender values due upon policies. He is to be given that power whenever he is satisfied that a time of financial emergency exists, and if he considers that the payment

would be prejudicial to the financial stability of the company. There is a variety of opinions regarding what constitutes a financial emergency. It may be said that conditions of financial emergency have existed to a greater or a lesser extent ever since 1920. It may also be said that we have been in a continuous state of financial emergency over the last seven or eight years. The ideas of the Government would differ regarding the ability of the companies to carry on or to meet the payments under the proposed legislation. If conditions did come about to warrant action being taken to give companies protection, any Government and any Parliament could be appealed to to have amending legislation passed, so as to afford the protection that might be considered necessary. That would be the proper and the safe method to adopt. I cannot support the amendment.

Mr. WATTS: The amendment suggests "when the Governor is satisfied that a time of financial emergency exists." It is no use saying it is difficult to judge when such a state of affairs exists. The Minister would have representations made by the companies and he would be able to realise when such a state of affairs existed.

Hon. C. G. Latham: The Treasurer would be able to advise him.

Mr. WATTS: If there is a state of financial emergency there is a natural inclination on the part of people who possess assurance policies to get hold of ready money quickly. It might prove difficult, if times were bad, for the companies to meet all the demands for cash without unduly feeling the strain. Therefore the request does not seem unreasonable. It is better that the companies should be protected in the manner suggested in the amendment rather than the cumbersome way proposed by the Minister. I can see no reason why the amendment should not be accepted, and I ask him to reconsider his objections.

Mr. SEWARD: I trust the Minister will reconsider the matter. The companies have money to invest, and it is invested as soon as it is lodged in their keeping, so that it may earn interest, and as we know, the funds cannot be withdrawn at a moment's notice. Occasions have occurred during financial crises when people have suddenly considered it advisable to draw on their securities. I remind members of what happened in connection with the State Savings Bank some years ago. If we do as the Minister suggests, namely, wait until Parliament meets, the crisis might be over and all the damage will have been done. By placing the authority in the hands of the Governor-in-Council it is not likely to be exercised lightly.

Mr. McDONALD: The Victorian State Parliament when it passed a similar Act last week inserted this clause by way of an amendment, and I assume that Parliament was not unmindful of the sudden crisis which arose at the time Mr. Chamberlain signed the Munich Agreement. It seems not unreasonable to expect such sudden crises to occur again.

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

Ayes	18
Noes	19
Majority against	1

Ayes	
Mr. Boyle	Mr. Patrick
Mrs. Cardell-Oliver	Mr. Sampson
Mr. Ferguson	Mr. Seward
Mr. Hill	Mr. Shearn
Mr. Hughes	Mr. Thorn
Mr. Latham	Mr. Warner
Mr. Mann	Mr. Watts
Mr. McDonald	Mr. Willmott
Mr. McLarty	Mr. Doney
	(*Teller.*)

Noes.	
Mr. Coverley	Mr. Raphael
Mr. Cross	Mr. Rodoreda
Mr. Hawke	Mr. F. C. L. Smith
Mr. Hegney	Mr. Styants
Mr. Lambert	Mr. Tonkin
Mr. Marshall	Mr. Troy
Mr. Millington	Mr. Wise
Mr. Needham	Mr. Withers
Mr. Nulsen	Mr. Wilson
Mr. Panton	(*Teller.*)

Pairs.	
Ayes.	Noes.
Mr. Collier	Mr. Keenan
Mr. Willcock	Mr. Stubbs
Mr. Fox	Mr. J. M. Smith
Miss Holman	Mr. Welsh

Amendment thus negatived.

Clause, as previously amended, put and passed.

Clauses 4 to 7—agreed to.

New Clause:

Mr. BOYLE: I move—

That the following be inserted to stand as Clause 4:—

A new section is inserted in the principal Act as follows after Section 48 to stand as Section 48A:—

No company and no person with the instructions, or, on behalf of such company, shall request, require, or receive from any person making application for employment with a

actually employed by such company (whether as a clerk, agent, canvasser, collector or otherwise) a bond guarantee or other security executed by such person and some other person or persons as guarantor or guarantors to secure payment to the company of any moneys coming to the hands of such person as clerk, agent, canvasser, collector or otherwise. The breach or attempted breach of any of the provisions of this section shall be an offence against this Act and shall be punishable by a fine not exceeding £50 to be imposed upon the company and any person acting with the instructions of or on behalf of the company. The provisions of this section shall not apply to a fidelity guarantee issued by any incorporated company carrying on the business of fidelity guarantee insurance.

My object is to avoid the necessity for a person desirous of securing employment with an assurance company obtaining a bond from two bondsmen in the sum of £50 each. Such a bond is irrevocable. After a person has been in the employment of an insurance company for four or five years, he may give way to drink or become dishonest, and if he should deal dishonestly with the funds of the company, the bondsmen would be liable for the amount of their bond. The bond is mostly required for country agents who are remote from control. My reply is that a bond could be obtained from an insurance company. Such bonds are obtained for road board secretaries and others in responsible positions.

The MINISTER FOR EMPLOYMENT: When replying to the second reading debate, I informed the member for Avon that this proposed amendment had impressed me. It is reasonable, and I shall support it. I am of opinion that insurance companies can devise some system to protect themselves against defalcations by agents.

Mr. McDONALD: I regret the Minister has succumbed to the blandishments of the member for Avon. The giving of a bond by private individuals is a very common transaction and not unreasonable. The bond, whether given by an insurance company or a person, acts as an incentive to the employee to be honest. If the bond is given by a private person, the incentive is even stronger. Many people do not object to giving bonds; I have given them myself in cases where they have assisted persons to secure employment. The last and most important objection that I have to the amendment is that it will force the poorest type of agent to obtain a bond from an insurance company for which he will have to pay a premium. If he could obtain a bond from a friend, he would not be involved in that expense. I oppose the new clause.

New clause put and passed.

Title—agreed to.

Bill reported with amendments, and the report adopted.

BILLS (2)—RETURNED.

1, Reserves.
With amendments.

2, Midland Junction Land (Rights Termination).
Without amendment.

BILL—LAND ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet) [10.17] in moving the second reading said: The amending Land Act of 1936 gave power to the Minister on the recommendation of the Board of Pastoral Appraisers to grant relief to pastoral lessees from payment of rent due for the half-year ended the 31st December, 1936, and for the year ended the 31st December, 1937. It provided that such relief might be total or partial, and might take the form of extended terms for the payment of such rent. This provision was extended last session by Section 3 of the Land Act Amendment Act, 1937, to include rents payable for the year ending the 31st December next.

The present drought is undoubtedly without precedent in the history of Western Australia, both from the point of view of its severity and the extent of the area affected. The widespread nature of the drought concentrated attention upon the great difficulties pastoralists were experiencing, and decided the Government to introduce the legislation in the first instance. Although some slight improvement has taken place in certain districts, up to date the drought has not broken, and it is therefore considered necessary to continue the power to grant relief.

Although a general condition of this kind may not occur again for many years—I sincerely hope it will not—serious drought conditions do arise from time to time in various parts of the State. It frequently happens that a section of the country is affected by

drought, and it is therefore desirable that the provision allowing the Minister for Lands, on the recommendation of the Board of Pastoral Appraisers, to grant relief from the payment of rent to pastoral lessees who are subject to drought, should be made permanent. As a temporary measure, this amendment of the Act has proved very helpful. The Bill provides that it shall become a permanent feature of the Act, and may be applied to any portion of the country as circumstances warrant.

In my opinion, the people of the State are not sufficiently aware of the serious distress that has been occasioned by the drought in the pastoral areas, or how far-reaching the effects of it have been. I propose, therefore, to give some figures with a view to showing the House and the country the difficulties under which the pastoralists are labouring, and the great fight they are putting up under disadvantages that are not experienced by any other section of the community. I say advisedly that no other section of the people of this State has experienced the difficulties or the heartbreaking setbacks which the pastoralists have had to face in Western Australia during the past six or seven years.

I have some figures detailing the heavy losses suffered as a result of drought conditions by pastoralists, both in respect of sheep and the decline in the wool clip. The total number of sheep shorn in the pastoral areas during 1936 and 1937 as compared with the year 1934 (which was the year prior to the commencement of the general drought) was as follows:—In 1934, the number of sheep shorn was 5,593,000; in 1936, the number was 3,531,000; and in 1937 it was 2,883,000. The number of sheep shorn in the pastoral areas, therefore, fell from 5½ million in 1934 to 2,883,000 in 1937.

The reduction in the woolclip for 1937 compared with 1934 has been even greater. The figures show that in 1934 the woolclip weighed 46,000,000 lbs.; in 1936 the figure was 22,000,000 lbs.; and in 1937 it was 19,700,000 lbs. Compared with the previous year, 1936-37, the woolclip last year represented a decline of 14 per cent. and the number of sheep shorn for the same period represented a decline of 18 per cent. These figures do not represent the full loss to the industry, as no account is taken of the reduction in the natural increase due to drought conditions It is estimated that the losses from this cause will represent at least another million sheep.

In attempting to maintain their breeding flocks, pastoralists, in addition to suffering great losses, have been faced with heavy expenditure on agistment, hand-feeding, the provision of extra water, etc. When the shearing figures for 1938 are available, they will, without doubt, reveal that pastoralists have in many instances suffered additional losses of stock. The anticipation is that, taking pastoralists as a whole, the aggregate number of sheep shorn may show an increase over the number for last year. This is attributable to the fact that rain fell in only a few districts last year and some restocking took place.

Unfortunately, wool prices have also receded. The average price realised for the 1937 clip was 11.80d. per lb. Unless a material improvement takes place, the average price this year will be even less than it was last year.

Hon. P. D. Ferguson: It came down 5 per cent. the other day.

The MINISTER FOR LANDS: When the drought comes to an end the problem of restocking will be a serious one, and will necessitate very heavy expenditure by pastoralists. In many instances the loss of natural increase will have disastrous effects. On many properties the younger sheep which have so far survived the drought are now from three to four years old.

I wish to refer to rent remissions that have been given to pastoralists during the past few years by this special legislation. The number of applications received for rent remissions in 1937 was 384. Some of these have not been dealt with pending further information required by the board being obtained. Of the 365 cases finally dealt with, 261 have been granted a total remission of rent for the year, 19 have received a 75 per cent. remission, 55 a 50 per cent. remission, and 13 a 25 per cent. remission. The total rents remitted for the year came to £96,872. The amount remitted for the six months ended the 31st December, 1936, was £36,519, making a total rent remission for the 18 months of £133,391. Applications for rent remission for the year ending the 31st December next will not be dealt with until after the end of the year.

From a number of stations I have selected instances that have been dealt with by the

Board of Pastoral Appraisers. The statement I have shows the number of sheep on hand in 1934 and the number on hand in 1937, as well as the natural increase brought about during the intervening period, and the loss of stock, after taking into consideration purchases or sales. Some of the losses represent natural deaths, and will include stock killed for rations. The return also shows the woolclip for 1934 compared with 1937.

The names of the stations will not be given; only the facts and figures. The first instance is that of a station which had in 1934 stock on hand to the number of 92,000. The natural increase in the intervening years was 12,000, and there were left on hand 13,000, the loss since 1934 being 93,000. In the second case, 24,000 sheep were on hand in 1934, and the number on hand now is only 4,851, which is greater than the natural increase of 4,533. The loss was 18,539. Another instance is that of a station on the Ashburton River. In 1934, it had 38,573 sheep on hand, and the natural increase since has been 7,978. The number of sheep on hand is now 12,750, and the loss has been 28,941. At another station in the Gascoyne area, the sheep on hand in 1934 numbered 46,000, the natural increase was 4,041, and the number of sheep on hand now is 7,900, so that the loss of stock was 41,955. On another station on the Murchison the sheep in 1934 numbered 20,320. To-day that number is reduced to 9,670. There was a natural increase of 6,551 and the losses totalled 15,785. On still another station on the Murchison the stock in 1934 totalled 36,208 and there is on hand to-day 4,024. There was no natural increase and the losses numbered 31,218. On a station in my electorate the stock on hand in 1934 numbered 17,589. There has since been no natural increase and the stock on hand to-day numbers 2,823 and the losses totalled 14,766. A station on the Ashburton in 1934 boasted 28,006 sheep. To-day there is on hand 9,747. The losses totalled 27,677 and the natural increase has been only 9,317. A similar position exists in respect of wool. The first station to which I referred had a clip in 1934 of 2,000 bales and in 1937 that figure was reduced to 180 bales. On another station the reduction has been from 586 bales in 1934 to 103 bales last year. On another property the reduction in the same period has been from 952 to 160 bales and on several other properties the reductions have been from 713 to 102 bales, from 589 to 58 bales, and from 413 to 60 bales.

Mr. Sampson: It is the story of a tragedy.

The MINISTER FOR LANDS: It shows the desperate position of the stations. I have argued in this House that the position is not as bad it was in 1914 so far as the rainfall is concerned, but it is really much worse taking into consideration almost every part of the State and the series of bad years through which we have passed. No person living in the pastoral areas in Western Australia has known seasons that have been so disastrous. I express my admiration for the way these people are sticking it out. If there is one primary industry that is of immense importance to Australia it is the wool-growing industry. It is also of great support to Western Australia, and moreover, it has cost the Government nothing. No Government has been called upon to expend large sums of money in developing the pastoral areas. All the work of development has been done by individual enterprise. In my electorate, and in other parts of Western Australia, many who were the original pioneers and who went out to build up stations, have been brought from a state of affluence to a worse position than they were in when they started 50 years ago. I cannot but express my great admiration for the way in which those people have stuck to the pastoral areas. We have never heard a word of complaint from them. Those people have never had anything in the shape of assistance except by way of remission of rent. I have had quite a number of letters of appreciation from many of them for what the Government has done. All have expressed their indebtedness to the Government for legislation of this character. So I hope that the concession I seek now to extend to the pastoralists will be given to them. It will certainly encourage them and I can but express the hope that before very long the drought will have broken and that within say the next ten years all those people will again be on their feet and will once more be a prosperous community in Western Australia. The Bill proposes to make the proviso a permanent feature of the Land Act so that it can be applied at any time by any Government if the occasion warrants it. I think the House will agree to that. Pas-

toral settlement has extended far beyond what might be called accessible areas. If one looks at the map he will find that pastoralists are on the edge of the desert, hundreds of miles away from any communication.

Mr. Marshall: Some of them are 300 miles north of Wiluna.

The MINISTER FOR LANDS: Those people who are now taking up pastoral areas are facing great difficulties because of low prices and the high cost of material.

Mr. Marshall: And the high cost of transport.

The MINISTER FOR LANDS: Yes. The Government proposes to give all new lessees a concession to the extent that leases taken up shall be free of any rental payments for the first five years. This will apply to the newer applicants for leases, and it will be possible for them to utilise their capital for the development of their property. Members will surely agree to that amendment. I have explained the purposes of the Bill. It contains only the two amendments and I hope both will receive the cordial support of the House. I move—

That the Bill be now read a second time.

On motion by Mr. Mann debate adjourned to a later stage of the sitting.

BILL—TRAFFIC ACT AMENDMENT.

Second Reading.

Debate resumed from the 6th December.

MR. BOYLE (Avon) [10.40]: The amending Bill will meet with little or no opposition from this side of the House. It is an almost complete copy of the Road Traffic Act of South Australia passed in 1936. It has evidently given satisfaction there and I presume within its limited scope it will give similar satisfaction here. The Bill has been asked for by many organisations in Western Australia. Road Board conferences have repeatedly asked for enactment of a measure of this kind. The Primary Producers' Conference and the Wheatgrowers' Union conferences have also asked for a protective measure of this type. It really should have gone further for a complete measure of protection, but I suppose the expense involved on the individual motor owners would be very high. For instance I have in mind the case I quoted in this House 12 months ago, that of a motor driver in my area who unfortunately collided with truck in Perth with the result that the true driver lost an arm. By some oversight th driver of the motor car was not insured, bu the upshot was that it cost him about £1,00(The point I wish to make is that had he bee a man of straw and without resources, th unfortunate driver of the truck would hav been minus his arm and compensation a well.

Hon. C. G. Latham: Will this Bill cove such a case?

Mr. BOYLE: No, it only covers pedes trians and push cycles. One difficulty tha can be foreseen here is the financial obliga tion of the motor owner to insure. The orga nisations of the companies are such that the will write the amount of the risk. In thi regard I had the privilege of seeing a con fidential circular issued by the London offic of a big insurance concern. It shows tha the growth of compensation consciousnes has been astounding. Awards given b judges in England have been equall astounding. The circular mentions the cas of a bricklayer who while earning £3 10s a week lost a leg in 1927 and was awarde £650 compensation. The circular adds tha in 1937 another bricklayer earning the sam rate of wages was awarded a sum of no les than £6,500 as compensation also for th loss of a leg. Thus we realise to-day tha that is one of the dangers of the growin feeling of compensation consciousness Judges and juries are awarding extraordin arily large amounts, and the circumstance that are taken into consideration to-day ar not very different from what they were som years ago. This compensatory advantage i tending to grow with what might be said t be the familiarity that breeds contempt i the men administering the law. The compen sation awarded is out of all proportion t that for instance awarded under ou Workers' Compensation Act.

Mr. Patrick: What premiums are charge in England?

Mr. BOYLE: I cannot say. The number o policies taken out in Western Australia i extraordinary. In round figures 61,00(cars, motor cycles and trucks are registere in this State. Drivers' licenses issue total 77,000, so that there are 16,000 driv ers' licenses in excess of the number o motor vehicles registered. That in creases the risk. Of the 61,000 moto vehicles registered only 30,000 carr

comprehensive policies. Thus 31,000 motor vehicles are running around the streets and there is not an ounce of protection for anybody they may happen to hit.

Hon. C. G. Latham: How are those figures arrived at?

Mr. BOYLE: The companies have statistical departments and exchange figures.

Mr. Rodoreda: How many carry third-party insurance only?

Mr. BOYLE: What does the hon. member mean by third-party insurance?

Mr. Rodoreda: What I say. Third-party and not comprehensive insurance.

Mr. BOYLE: I cannot give that information.

Mr. Rodoreda: That affects the position.

Mr. BOYLE: I do not agree with the suggestion that the claims ratio will be affected by third-party insurance. Contested claims are to come before a judge without a jury, which is a good thing for the company, because juries are prone to be sympathetic, whereas a judge deals with the position as he finds it. He is, so to speak, hard-boiled, and that will tend to keep down the amount of compensation. The cover afforded by the proposed legislation, which is precisely the same as that in South Australia, really creates an open season for grandfather, father, grandson and great-grandson. Those are four classes not protected. Servants and non-paying passengers are also unprotected. The Minister remarked that the Bill covers pedestrians and push cyclists only. That is all a Bill of this kind could cover without having a prohibitive premium range. The measure is overdue. I am very pleased that there is a growing feeling on the part of many of our local authorities, particularly in the country, that road patrols should be formed in order to bring to book the road hogs that every day tear through country towns. That children and adults are not maimed right and left is a dispensation of Providence. I notice that the Harvey district is initiating a road patrol for the south-western area, and that practice must grow. A measure of this description will certainly afford financial protection for country people, more so than for city people. If one looks at the chart in the Police Department one is surprised to find the number of accidents that occur in what one would conclude was a secure locality. Fewer accidents occur where people have to slow down.

Mr. Marshall: The greater the danger the fewer the accidents; people are more careful.

Mr. BOYLE: That applies in reverse ratio in the country. There is an open road and an open go for the 70-mile-an-hour cars that tear through the country towns. The Bill will afford a measure of protection for pedestrians and push-cyclists in those areas.

Mr. Marshall: Thirty-one pedestrians were killed last year.

Mr. BOYLE: And the number of maimed would be five times as great.

Mr. Marshall: I do not know about that.

Mr. BOYLE: I should say the ratio would be about five to one, and most of the victims have no protection whatever. I suppose 50 per cent. of the motor vehicles are driven by men of straw so that the injured persons have a very small chance of receiving any compensation.

Mr. Marshall: Do you think that such legislation would influence drivers to be more reckless inasmuch as they know that the injuries they cause will be covered by compensation?

Mr. BOYLE: No, I think the risk is in a different direction. The pedestrians, knowing they are covered, may be prepared to take more risks. There are many philosophic pedestrians who are hardy souls and who, if they are covered—as they will be for practically an unlimited amount under the Bill—will think to themselves, "Whatever happens I shall be all right financially."

Mr. Marshall: I have no soul at all, but I have respect for my mortal welfare.

Mr. BOYLE: The hon. member has reached the age of discretion in that regard, but the younger fry, willing to try anything once, may decide to dash across the road in front of an oncoming car. It will be a relief for their parents to know that if an accident does occur they will not be left to shoulder the burden entirely. In South Australia last year £29,000 awarded to pedestrian victims of accidents was not recovered. The Bill will provide for such people to be insured against accident. I have pleasure in supporting the second reading of the Bill. The measure is overdue, and within its limitations will afford protection to those at present unprotected.

MR. SAMPSON (Swan) [10.53]: I was pleased to hear what the member for Avon said. He dealt with the subject in a very comprehensive way and there will be no need for me to say much. I am glad that the Bill has been introduced. It is certainly needed and has been needed for a very long time. Compulsory third-party insurance is one of the needs of every modern city. Usually the third party in an accident is the innocent party. In Queensland and South Australia similar legislation has been enacted and I am advised that New South Wales and Victoria are giving consideration to the matter. The absence of such a measure in Western Australia has caused great anxiety and suffering and although it must be admitted that a fairly large percentage of those that own motors and motor cycles are already insured, unfortunately many, not being able to provide the payment for third-party insurance, have failed to take out policies. I urge that no vehicle be allowed to go on the road unless it carries third-party insurance. Unfortunately the position is that those least able to pay damages are frequently, if not usually, uninsured, but the liability of the driver of a motor vehicle or indeed of any vehicle continues until bankruptcy. To-day our hospitals are largely filled with patients who have been victims of road accidents brought about in some instances by careless driving and in other instances as a result of the impossibility of avoiding a collision. The most careful driver is sometimes a victim. One can never be certain what the other driver will do. The Bill that ensures financial protection on all sides as far as is possible must receive a warm welcome. Following every week-end the Press contains a column dealing with local motor accidents and the hospitals have been faced with the very serious problem of how to handle the patients. The Bill will assist to remedy the position. It is on the lines of the South Australian Act. That the drafting of so much of our legislation is similar to that of the South Australian measures is a compliment to the neighbouring State.

Mr. Patrick: South Australia copied the British Act.

Mr. SAMPSON: Then it copied wisely and we in turn are wise in copying South Australia. I should like to see an extension of uniform legislation. When this measure is passed, the South Australian and Western Australian legislation will be uniform and I hope the Act will be copied by other States in the Commonwealth. A matter connected with traffic laws that might receive consideration is the license issued to visitors. Visitors find that when they move from one State to another in Australia they are put to far more trouble than when driving from one nation to another in Europe. That is a commentary on what happens in Australia. A license secured in London is effective in Europe and most parts of the world. Still another matter on which I would like to speak is that dealing with attendance at the traffic office and the payment of the license fee. At present all licenses are issued at one time of the year. Many newspapers have dropped this method and book up subscribers when they commence subscribing. The wiser method is to book up at any time and charge a proportionate amount for the balance of the year, thus allowing anyone who has purchased a car and has registered it to pay for a year from that date. Further this would mean a reduction in staff, as it would be easier for the department to maintain the service and to balance the work necessary from week to week, the extremely busy periods which occur at present thus being ironed out. Emphatically the Bill is justified, and should have been enacted long ago. We do a great deal here in efforts to ensure safety, and some of those efforts in my opinion are foolish. Cross-walks are amazing—and unheard-of, I believe, in most countries.

Members: Oh!

Mr. SAMPSON: In the Eastern States, however there are some organisations termed "Safety First" which do a great deal not only in assisting to police traffic but also in teaching school children to exercise care. These organisations have gramophones and records that teach children to keep to the left, and so on. This is a matter of traffic; and while the member for Nedlands ((Hon. N. Keenan) cannot realise that there is such a thing as congestion of traffic, I can assure him that in some parts of the city such is the case. In this connection amendments could be introduced as the Bill passes through Committee. "Safety First" organisations exist in Adelaide, Melbourne and Sydney; and there is no reason why they should not be brought into existence here. An effort was made by a Mr. Smith, of

Perth to establish a "Safety First" organisation; but I am sorry to say that up to the present he has not met with success. I am glad that the Bill has been brought down, and I shall certainly support it. It should have been enacted many years ago. Had it been possible for a private member to bring the measure down, we know that it would have been enacted some considerable time back, because the member for North Perth (Mr. MacCallum Smith) gave notice of such a Bill, but only to discover that it could not be introduced by a private member. I hope this measure will have a quick and safe passage, and be on the statute-book early in the year.

MR. WARNER (Mt. Marshall) [11.3]: I support the Bill, and agree that it should have been brought down many years ago. We have known for a long time past that many motor vehicles on the road have been purchased by men of whom some should never have had such a vehicle. The equity of such a man in the vehicle amounts to only about £10, the vehicle having been bought on time payment. Outside of that equity, the man has nothing at all. Possibly he gets a living by running the truck or runabout of which he is in control. This means that anyone injured by that person has no chance whatever of getting any compensation. In the case of an injured child, even if it is not injured seriously, the parent, if not in good circumstances, may have his nose kept to the grindstone for doctor's fees during many years. Insurance should be required in all cases. My view is that the Bill does not go far enough. It protects pedestrians and riders of push bikes, but it should go further. The driver of a licensed vehicle should be insured when insurance is made compulsory. The Bill is a good argument for State insurance. The State Government Insurance Office should be in a position to cater for this class of insurance. It is only a matter of money, and the necessary funds could easily be supplied for a start. Then, before a man could get a license for his vehicle, he would have to produce an insurance policy. He would also be insured continuously, because although the Traffic Department and most local governing bodies permit a man to go for a fortnight or a month over the time for renewing his license, he would still be covered if he were made to take out his first license as from June instead of July. That would mean he would be covered to the end of July in the following year, and would thus be insured if he neglected to take out a new policy for a fortnight or a month. I can hardly realise that this matter has been neglected so long. Years ago the member for North Perth (Mr. MacCallum Smith) suggested something on these lines. I do not know why the hon. member did not follow the matter up. I fancy he trotted off to London on a joy ride.

Endeavours should be made to arrange with the insurance companies to cover these risks, even if a tender had to be submitted by the Government as to the amount of cover required. If the companies fixed too high a premium, the business could be done by the State Insurance Office. I do not think any member would turn down such a proposal. We are in the fortunate position of being able to take out a comprehensive policy. I would not take my car out of the yard unless it was covered by insurance. We ought to have regard for our fellow-men. No motor vehicle should travel the roads unless it was insured. I hope the Government will watch the position and see that the man compelled to insure is not fleeced by insurance companies demanding too high a premium. In that case the Government should ask Parliament for authority to do the insurance through the State office.

HON. N. KEENAN (Nedlands) [11.10]: This is a highly important Bill. If we address ourselves to the matter the Bill deals with, that will possibly lead us to a proper conception of the measure. It has nothing to do with "Safety First" organisations or various other laudable efforts made in the public schools. But there are some provisions in the Bill deserving close consideration, and we cannot rush the measure through. For instance, there is nothing to justify the idea that the Bill, from the construction of its legal significance, will mean only that the person who is insured will be liable for damage to pedestrians or riders of push bicycles, nor is there any reason for giving a construction of the main obligations of the Bill which would restrict the measure to injury inflicted on the owner of another motor car or motor vehicle with which you had collided. If the other vehicle contained passengers and you were in fault, you would be liable not only in law, but also under this policy that you must take out to cover the

risk for the damage you do to every one of those passengers. We must remember that this is going to be a compulsory scheme of insurance, and therefore we must see that it will not inflict undue hardships on those who have to take up compulsory insurance. I draw the attention of the House to proposed new Section 57. I shall not refer to the previous proposed section, which makes it compulsory to have a policy complying with the Act before one can obtain a motor driver's license. But proposed Section 57 says—

Except as provided in this section (a policy of insurance must) insure the owner of the vehicle mentioned in the policy and any other person who at any times drives that vehicle, whether with or without the consent of the owner, in respect of all liability for negligence which may be incurred by that owner or other person in respect of the death of, or bodily injury to, any person caused by or arising out of the use of the vehicle.

Mr. Rodoreda: The first line qualifies that.

Hon. N. KEENAN: The exceptions do not make any reference to pedestrians or bicycle riders.

Mr. Rodoreda: Read proposed Subsection 3.

Hon. N. KEENAN: That relates to a different class.

The Minister for Works: But read that Subsection 3.

Hon. N. KEENAN: Very well—

Every policy which relates to a vehicle wholly or mainly used for the carriage of passengers for hire by a person whose business is or includes such carriage must indemnify the insured in respect of any claims based on the death or bodily injury of any person who, as a passenger carried or about to be carried for hire, was being conveyed in or was entering into or alighting from that vehicle. Except as mentioned in this subsection, it shall not be necessary to insure against any claim for death of or injury to any person driving or being conveyed in or on or entering into or alighting from any vehicle. In this exception the word "vehicle" does not include a bicycle or tricycle which is propelled by human power.

That subclause relates to a very small class, namely, to the policy for a vehicle which is used for the purpose of carrying passengers.

Mr. Rodoreda: No; but it is badly drafted.

Hon. N. KEENAN: I do not think it can be open to any doubt that what is provided for there is a special provision in relation to carriages which are used for the carriage of passengers for hire, and that seems to make the owner of the vehicle liable for damages on account of bodily injury occasioned to any person who is a passenger, or is about to be conveyed as a passenger, in his vehicle, or is alighting from it. The provision is limited to vehicles that are kept for the purpose of carrying passengers for hire, and to injuries to those passengers or suffered by them when so carried, or about to be carried. But that does not qualify the obligation imposed in paragraph (b) of Subsection 2 of proposed new Section 57, which is a general obligation, and is a declaration of the ordinary law which makes one liable, as far as one's means permit, for injury caused by negligence, and that includes the driver of a motor car. If I do anything amounting to negligence, either of commission or omission, such as not taking proper precautions, or do something I should not have done, as a result of which injury is caused to some person, I am liable in law to the extent of all my means.

Mr. Sleeman: Why should a person have to prove negligence?

Hon. N. KEENAN: Because the assumption in law is that the plaintiff must prove his case.

Mr. Sleeman: With the third-party risk insurance, if a person is hit, he can secure compensation irrespective of negligence.

Hon. N. KEENAN: The member for Fremantle (Mr. Sleeman) may have grounds for urging that the person who deliberately walks in front of a motor car and is injured in consequence, shall nevertheless receive compensation.

Mr. Sleeman: That is going from the sublime to the ridiculous.

Hon. N. KEENAN: Take another instance that may not be deserving of description as ridiculous: If a person steps off a footpath suddenly without giving any notice——

Mr. Sampson: People often do that; in fact, it is a habit.

Hon. N. KEENAN: —and in consequence the driver of a motor car, through no negligence on his part, hits that person and does him an injury, from my point of view the latter has no claim.

Mr. Sleeman: Negligence is hard to prove, so the person hit gets nothing.

Hon. N. KEENAN: I am not prepared to discuss whether we should alter the law with regard to negligence, nor yet whether we should require signs to be hung up in schools directing the attention of children to the need to be careful. I am merely point-

ing out that there are certain conditions to which a Bill of this description must conform. Such a Bill must be restricted to limiting its application from the standpoint of the burden imposed on all persons in the community. It must be limited so that all persons of moderate means will be able to comply with its provisions. That obligation should, as a general policy, apply equally to those who use motor vehicles and to those who drive horse-drawn vehicles. The law should apply equally.

The Minister for Works: The Bill seeks to amend the Traffic Act.

Hon. N. KEENAN: I am aware of that fact. Speaking from the general point of view, and not that of the Bill in particular, we should cover damage caused by the driver of a horse-drawn vehicle equally as we seek in the Bill to impose that responsibility on the driver of a motor vehicle. The first condition in the consideration of such legislation is that we must limit it because, without some such limitation, the burden would be impossible for the whole community to bear. Secondly and obviously, we must make provision that, within the limit of the scale of liability, there shall be some insurance available. To my mind, the Bill does not conform to either of those two considerations. In one provision we impose a liability of so wide a character that it would involve the payment of a heavy insurance premium, almost as heavy as would be demanded for a comprehensive policy. The premium must be burdensome to the extent I have indicated because the comprehensive insurance includes damage to the policy-holder's vehicle, loss by fire, or stealth, and many small considerations. Except to that extent, the Bill will create a liability that will necessitate the payment of a premium almost commensurate with that demanded for a comprehensive policy.

Mr. Sleeman: In New Zealand, third-party risk insurance is obtainable at £1 per head.

Hon. N. KEENAN: The insurance must be limited, or that could not be done. The Bill does not limit liability sufficiently. We have no assurance at all that any company will be agreeable to accept the risks that the Bill will impose, and accept that risk at a reasonable rate.

There are small features of the Bill that attract attention. For instance, there is the provision that if the insured does do damage for which he is liable at common law, or for the special liability created by the Bill, and damages are recovered, then there can be the application of what is known as the "knock for knock" principle. Under that system, if the other car with which there has been a collision is also damaged, that fact shall be taken into account for the purpose of compensating the persons injured, and there will be cross-accounts between the two, which will reduce the liability of one to the other. That principle is applied throughout the insurance world for the sake of convenience. For instance, one insurance company may cover the car that I drive, and another company may insure the car driven by the member for South Fremantle. The member for South Fremantle, negligently but not purposely, drives his car into my car and causes damage. The question of liability then arises between the two, and the companies concerned, by mutual arrangement, make a payment in one case, and the contra liability is taken into account as between the two companies in making that payment. I do not know that we should complicate the measure by the inclusion of a provision of that description, because in practice the insurance companies will certainly adopt that course.

The main objection and the only one I desire to urge, now that we desire to economise time, is that the Bill as drafted has created a liability of such a character that it would be impossible to imagine any premium liable to be charged that would be much less than that now required in respect of comprehensive insurance. The other objection is that we do not know—the Minister has not so informed us—that there is any insurer prepared to accept such risks, even if limited to the extent conceived by the Minister, at a figure that would be within the means of the ordinary individual in the community. In framing legislation of this description we must bear in mind that we shall impose a penalty, one that is justified but nevertheless a penalty, on motorists of small means, many of whom may be earning their living by the use of their motor vehicles. We should avoid imposing a penalty upon them, unless we can do so in a reasonable manner.

Mr. Sleeman: They take a risk if they do not insure.

Hon. N. KEENAN: That is quite so, but take the man who has a motor vehicle with which he has an opportunity from time to time to do some delivery work. He earns his living by that means. I quite admit he should be compelled to take out insurance so as to cover the risk of damage he may do in following his calling, but we must take care that the burden imposed upon him is such that he can carry.

The Minister for Works: We do not compel that man to insure his property.

Hon. N. KEENAN: That is quite so, and he does not insure except to the extent of covering injury to persons damaged through the negligence of the driver of the car. I cannot see any limitation, nor is there any such limitation embodied in the Bill, with respect to push bicycles or pedestrians. If there were, I would object. It would be absurd to limit this provision to push bicycles. Why should motor cycles not be affected?

Mr. Rodoreda: Or the man with a motor car.

Hon. N. KEENAN: I cannot see any reason for it and naturally I would object if the Bill made any such provision, which it does not do. When the Minister suggested, as I understood him to say, that it might be practicable in the early stages to apply the measure to the owners of motor cars only——

Mr. Sleeman: And to motor cycles.

Hon. N. KEENAN: —and to cover only pedestrians and people on push bicycles, no such provision is indicated in the Bill.

The Minister for Works: I am assured that that is as far as it will go.

Hon. N. KEENAN: I hope the Minister will point to the part of the Bill that conveys that assurance. However, I will leave the matter at that stage.

MR. RODOREDA (Roebourne) [11.35]: I am not concerned about economising time when considering the Bill. We have all day to-morrow and all next week. The Bill is important and full consideration should be given to it. The member for Nedlands (Hon. N. Keenan) contends that the measure does not restrict liability in any way. With all due respect to his legal knowledge, I do not think he has studied the proposed new Section 57 sufficiently. Had he done so, I think he would have expressed different opinions. I would draw his attention to the proposed new Subsection 3 which refers to vehicles carrying passengers for hire and makes it necessary for the owners of such vehicles to effect assurance, just as is necessary under the present Traffic Act. At present motor car owners who ply for hire are required to have a policy indemnifying them against liability for damage or injury in respect of their passengers. The concluding portion of proposed Subsection 3 reads—

> Except as mentioned in this subsection, it shall not be necessary to insure against any claim for death of or injury to any person driving or being conveyed in or on or entering into or alighting from any vehicle.

That is definitely restrictive. The provision continues to point out that in this exception the word "vehicle" does not include a bicycle or tricycle propelled by human motive power. I agree with the member for Nedlands to the extent that this matter should be dealt with in a separate subsection. The drafting is faulty.

Mr. McDonald: I think that is the remedy.

Mr. RODOREDA: The point is lost in the wording of the proposed subsection. Nevertheless, it does limit liability. If the member for Nedlands gives that subsection more attention, he will agree with me.

Hon. N. Keenan: Where does the pedestrian come in?

Mr. RODOREDA: The subsection mentions—

> It shall not be necessary to insure against any claim for death of or injury to any person driving or being conveyed in or on or entering into or alighting from any vehicle.

These are the people one has not to insure against, but he must insure against everybody else. That is plain and "everybody else" includes pedestrians, people on bicycles or tricycles. There cannot be much argument on that point. As regards the measure as a whole I am not too much in love with it. I think the mountain laboured and brought forth a mouse. It is very complicated indeed and gives very little protection. Even regarding the protection it does give we do not know what premium would have to be paid. That is to be left to the discretion of a body to be appointed under the measure, and that body can make a decision on the matter irrespective of whatever views Parliament may have on the subject. It will be on the findings of the Committee that these proposed sections will be proclaimed. I am not agreeable

to that for a start. I should have liked the Government to introduce a measure making this a monopoly for the State Insurance Office. Everybody agrees that that should be so with a measure of this kind. If we are to make the thing compulsory, we should not be at the mercy of private insurance companies which will naturally want to make profits out of it. This form of compulsory insurance could well be instituted under the State Insurance Office at a cost of £1 per car. That would give us in the vicinity of £60,000 per annum, and that would provide a substantial income.

Hon. C. G. Latham: We should limit the compensation.

Mr. RODOREDA: I do not hold that we should limit it to pedestrians or to people on bicycles. People in cars have as much right to be protected against maniacs driving other cars. Why should we limit it to people walking along roads or to bicycles? We are seeking to protect a small section of the people when, for the expenditure of a few shillings more per head, or by making it a monopoly for the State Insurance Office, we could protect most people from the effects of negligence on the part of drivers of cars. The member for Avon mentioned that there were only so many comprehensive policies in existence and that that left about half the number of motor cars not insured. I do not know the figures, but the hon. member has left out of his calculations the number of people who take out third party policies only, not comprehensive policies, and the cover they get is a great deal more comprehensive than that suggested in the Bill. I think on an average the cost of third party insurance is £3 5s.

Hon. C. G. Latham: Is that £3 5s. per cent.?

Mr. RODOREDA: No, the annual premium. There are many people who take out third party policies only. Whether we are doing the right thing in allowing the matter to be decided by private insurance companies, is another question. That is my main objection to the Bill. I do not propose to vote against the Bill. I do not think anyone would object to its being made a Government monopoly. Everyone realises the importance of the measure and if it were made a Government monopoly the incomes of private companies would scarcely be affected, at any rate not to any degree. People who now take out comprehensive policies would still take them out and I do not think the premiums would be reduced by much. The member for Nedlands said that this would not affect any law we have with regard to negligence or the right to any person to sue for damages because of negligence. I admit that, but the Bill only goes so far as to make it compulsory that a person shall insure against damage he causes through negligence, to a limited number of people. Whatever other damages he may be mulcted in would of course be his own affair at common law. I should like to hear the Minister when replying suggest some sort of compromise on the points I have mentioned. I shall vote for the second reading but in Committee I shall move amendments to bring the Bill more into line with my ideas.

HON. C. G. LATHAM (York) [11.42]: There has been a desire for some form of insurance, but I am satisfied that very little consideration has been given to the Bill. The Minister was generous when he pointed out exactly what the Bill contained. I assure him it is a disappointment to me.

The Minister for Works: It is to me also.

Hon. C. G. LATHAM: I am sorry the bill is being introduced so late in the session. This compulsory form of third party insurance is limited, but we have not limited the charges which may be made by the medical and hospital people. We provide 12s. 6d. for a doctor and a similar amount for a nurse. I know what will happen when there is compulsory insurance; there will be exploitation of the people. If we have compulsory insurance, the money should be paid into a pool, and compensation paid from that pool. There should be no profits made, because we are compelling people to insure and we should take every precaution against the community being exploited. I am keenly disappointed in the Bill because it has nothing to commend it. I wish I could support it because we have a right to protect the public against individuals who are more or less indifferent or careless about the welfare of others. I listened to the speeches of the members for Avon and Swan, but I am afraid the member for Swan had very little idea about the Bill; in fact, I do not know that he even read it. The Bill does

not give cover to those it is intended to cover, and the cost will be about 37s.

The Minister for Works: About 33s. In South Australia it is 27s. 6d.

Hon. C. G. LATHAM: In this State, if a person wanted to insure to the extent of £200, including third-party risk, the cost would be £9 for the first year, with a 25 per cent. reduction in the second year, and a 30 per cent. reduction in the third year. The Minister is anxious to do something with the Bill, but I should like to see it held over until next session. We should not compel people to insure and force others to fix the premiums. The best thing to do would be to pool the whole of the premiums and pay compensation from the pool.

MR. WATTS (Katanning) [11.45]: I cannot work up any great enthusiasm for the measure, particularly in view of the short time that is available for its consideration. The Minister himself admitted that the subject was complicated and that even his contribution towards a solution of it had taken much consideration. The result is that this House has very little time—far shorter than had those responsible for the measure—to consider the Bill. Another place will, at the best, have no more time to consider it than we have. Therefore, the prospects of the Bill becoming law in the near future—particularly in its present form—are not very bright. I regret that that should be the case, because undoubtedly needs exists for the protection not only of the pedestrian traffic, but also of sections of the travelling public, from clumsy or careless motorists who appear to lose sight of the fact that the driving of a high speed vehicle, unless properly controlled, is dangerous. We should not pass the measure without giving it careful consideration. We must solve various problems such as those raised in the controversy between the member for Nedlands (Hon. N. Keenan) and the member for Roebourne (Mr. Rodoreda). I have considered the clause that was the subject of their controversy, and candidly I do not know which side to take. One moment I am inclined to believe that the member for Nedlands is correct and that the provisions relate only to passengers in a vehicle that is used for the carriage of passengers. Another moment I come to the opinion that the member for Roebourne is right, and that the reverse is the case. The clauses of the Bill are long and involved and the draftsmanship is not of the type one ought to expect in a Bill of this kind, particularly when it is brought down at this late stage of the session for the consideration of members. I feel disposed to vote against the measure, except that I do not wish longer to deprive a section of the public of the protection which otherwise it would not get.

The Bill contains a provision that a person applying for a license for a vehicle must produce to the local authority a certificate to show that he is insured in accordance with the Bill. Provision is not made that the policy may be produced. I fail to understand why a person should be required to produce a certificate if he holds the policy. I admit that some persons may not hold the policy, as it may be lodged in connection with a hire-purchase agreement or some encumbrance. In many cases, however, the person would hold the policy and the local authority should require production of it, rather than of a certificate.

Another provision of the Bill sets out that the owner of a motor vehicle must prove to a police officer that he has a policy of insurance: if he fails to do so within five days, he is liable to a heavy penalty. Now, the person has already satisfied the local authority by producing a certificate or—as I suggest—the policy. That policy must be in force for the whole period of the license, otherwise he cannot obtain the license. He is required by the Traffic Act to verify the fact that he has obtained a license by displaying a certificate on his windscreen. If he does not do so, he is guilty of an offence. Surely all these things are sufficient indication to the police officer that he has complied with the provisions of the Act. He should not be asked by the police officer to produce the policy or other evidence of insurance.

Hon. C. G. Latham: What if the policy expired a month after the license was issued?

Mr. WATTS: The local authority is directed to see that the policy is in force for the whole period of the license, and therefore that position cannot arise. I am putting forward some of the difficulties with which I am confronted in regard to the measure. I have considerable doubt as

to what is intended by the provisions of the Bill relating to relatives to the fourth degree. I hope the Minister will explain what those provisions mean. I do not know what persons are included in the phrase "relatives to the fourth degree."

Mr. Warner: It might be a grandchild.

Mr. WATTS: Or a cousin. I shall be grateful to the Minister if he will make some reference to the point in his reply. Another point that requires consideration is the provision that the insured person shall not, without the consent of the insurer, make any admission of liability. If he does, the insurer is to be entitled to recover from him the amount that the insurer must pay by reason of the admission of liability. As the provision is worded, a difficulty will arise which I think should be avoided at all costs. An opportunity will be afforded to the insurer to say, "Although I have to pay the third-party risk, I can recover from you, who paid the premium, because you made an admission of liability." One can readily imagine a person who has been involved in an accident saying, "I looked up too late." That may be taken to be an admission of liability, and if it came to the ears of the insurer he might be able successfully to argue that the admission occasioned him to pay damages to the injured party; whereas in actual fact the statement may have been made under stress of circumstances and as the result of the accident. Such an admission would not be made in other circumstances. In my opinion, provision should be made in the Bill that such an admission must be in writing. I do not propose to take up more time in dealing with the Bill itself. I shall support the second reading, but only for the reason that I do not desire this important matter to stand over any longer.

THE MINISTER FOR WORKS (Hon. H. Millington—Mt. Hawthorn—in reply) [11.54]: Many of the points that have been raised can be better discussed in Committee, such as the point raised by the member for Nedlands (Hon. N. Keenan). The Bill is designed merely to protect drivers and owners of vehicles against legal liability. What the South Australian Attorney-General said was, "You merely insure against your legal liability, which is there all the time." The member for Roebourne (Mr. Rodoreda) mentioned that the person in the other car should be insured. That is so. That person is subject to third-party risk. The point is that the owner must be insured to the extent set out in the Bill. Such insurance would not cover persons injured in other cars. All we set out to do is to compel drivers and owners of cars to take out insurance to the extent mentioned in the Bill.

Mr. Warner: That is the minimum.

The MINISTER FOR WORKS: It is a compulsory tax on all motor car owners. To those who say we should go much further, I reply that that is a matter of opinion. If we go further, the premiums will have to be increased. Our trouble has been to arrive at a decision as to what is intended in the Acts already in existence. This Bill is similar to the Acts in force in New Zealand, South Australia Tasmania, and Queensland. We copied the South Australian Act not because of any particular virtue in that Act, but because the insurance companies told us that if we copied it, they could quote their rates of insurance. Their quote was 27s. 6d. for South Australia; the rate for Western Australia is 20 per cent. higher. When introducing the measure into the South Australian Parliament, the Premier said he was not sure what the rate would be; he thought it would be £1 or £1 5s. As a matter of fact, it was £1 7s. 6d., when assessed by the premiums committee. Members will note that the premiums committee here will also assess the rate. Until that is done, the Act will not be proclaimed. We do not intend to hand the motorists of Western Australia over to the insurance companies, because they could then charge any rate they liked. We shall never place our motorists in that position. Members will recall that I asked the House to trust the Minister until the premiums committee was satisfied about the rate. Mr. Bennett, the Government Statistician, has expressed the opinion, from the records before him, that the insurance companies would be justified in charging an additional 20 per cent. in this State. Mr. Bennett points out that it is impossible to make an accurate estimate, because the South Australian Act has not yet been in force for 12 months.

Mr. Sleeman: Why should the rate be 20 per cent. higher here?

The MINISTER FOR WORKS: An actuarial calculation was made. The rate was based on the compensation that the insurance companies in South Australia had to pay. The companies convinced Mr. Ben-

nett that the rate should be 20 per cent. above the rate charged in South Australia. That is based on the average amount per claim settled in Western Australia compared with South Australia. Before we can arrive at an exact estimate for comparative purposes the South Australian legislation must remain in operation for 12 months.

Mr. Thorn: The officials there based their figures on the claims under comprehensive policies.

The MINISTER FOR WORKS: Western Australian companies can show by figures that they are paying out 20 per cent. more than is being paid in South Australia. We possess no other yard stick but that.

Mr. Sleeman: It is a libel on the Western Australian driver.

The MINISTER FOR WORKS: In a matter of this kind we can look only to the Government Actuary. The Royal Automobile Club agrees that we shall probably have to pay more in this State than is paid in South Australia. The question will, however, be decided first by the premiums committee. We can deal with the question of the near relative when the Bill is in Committee. The measure will not be proclaimed until the vexed question of premiums has been decided. The remarks of the member for Rochourne meet with my approval. A better deal is given to the motorist in New Zealand than in any other part of the world for the reason that State insurance operates there. Even in that Dominion the rate has been raised from 17s. 6d. to 20s. because there were not sufficient people in the pool to warrant the lower rate. In Western Australia a sufficiently high premium will have to be paid to meet the liability. In South Australia unsatisfied claims to the tune of £20,000 have been recorded.

The Bill will ensure that those who do the damage shall be in a position to pay. If the community requires something better than is provided in this legislation, it will have to be ready to pay an increased amount. Instead of motorists being compelled to pay 33s. they, as well probably as motor cyclists, may have to pay £3 or £3 10s. per annum. We are not concerned with property, but we are concerned with persons. The Bill provides that the man who causes the accident shall be in a position to pay compensation to the injured third party. The amounts provided in the measure are the minimum amounts, and they should be the minimum amounts seeing that the legislation is compulsory.

Question put and passed.

Bill read a second time.

On motion by the Minister for Works, the Committee stage was adjourned to a later stage of the sitting.

BILL—STATE TRANSPORT CO-ORDINATION ACT AMENDMENT.

Council's Amendments.

Schedule of three amendments made by the Council now considered.

In Committee.

Mr. Sleeman in the Chair; the Minister for Works in charge of the Bill.

No. 1. Clause 4: In line 8 on page 3, delete the word "one" and substitute the word "three."

The MINISTER FOR WORKS: I move—

That the amendment be agreed to.

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

No. 2. Clause 6: Delete this clause.

The MINISTER FOR WORKS: This is not a highly important matter. It refers to the deletion of the word "public" from the appropriate section. I move—

That the amendment be agreed to.

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

No. 3. Clause 8: In Clause 3 of proposed new First Schedule, delete all words after the word "named" in line 30.

The MINISTER FOR WORKS: The First Schedule deals with exemptions. We experienced some difficulty in this Chamber in respect of this schedule. We tried to prevent producers from bringing to town light loads of tomatoes and taking back heavy loads of petrol, etc. I admit it is difficult to ensure that the farmer shall take back to his farm a load not greater than that which he brought from his farm. I discussed the matter with the Transport Board, which does not regard the Council's amendment as important. The main principles, especially those relative to community trucks, have been agreed to by another place. I move—

That the amendment be agreed to.

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

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

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 3).

Council's Amendments.

Schedule of eight amendments made by the Council now considered.

In Committee.

Mr. Sleeman in the Chair; the Minister for Works in charge of the Bill.

No. 1. Clause 4:—Delete the words "subsection (2) therefrom" in line 21 and substitute the words "the word 'shall' in line two and inserting the word 'may' in lieu thereof."

The MINISTER FOR WORKS: I move—

That the amendment be agreed to.

With the Council's amendment the clause will then read, "Where the district is divided into wards, a separate list may be made out for each ward." Exception was taken to compelling road boards to make out a list of ratepayers on the one roll. The matter is not worth contesting, and so the amendment can be accepted.

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

On motions by the Minister for Works, amendments Nos. 2 and 3, consequential on amendment No. 1, were agreed to.

No. 4. Clause 9: Delete paragraph (b):

The MINISTER FOR WORKS: This deals with the approval of the Commissioner of Main Roads to the design of motor passes. A member in another place considered that was a slight upon road board secretaries, who are often engineers. That surely is an extreme view to take. It may be stated with greater truth that more often road board secretaries are not engineers. That member also stated that the proposed passes or grids were constructed in the same way as culverts, but I am informed that the types of construction of the two utilities are wide in their differences. Moreover, the culverts have been provided over a wide expanse of years, and experience rather than economic design has shown what is required. Many of the passes erected in the past are no credit to anyone, and are a danger to the public. It is this danger that it is desired to eliminate. There is no wish to aim at uniformity of design because that would be uneconomical. Suitable local materials should be used as far as possible, and a knowledge of design and strength of the materials is necessary to produce satisfactory results. The Commissioner of Main Roads has the necessary expert knowledge, which can be placed at the disposal of the local authorities. There is close and cordial relationship between the commissioner and his staff and local authorities, and it is not likely that this will be disturbed. I repeat that safety for the public is a paramount necessity for the retention of the clause. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

On motions by the Minister for Works, amendments 5, 6 and 7 were not agreed to.

No. 8.—Clause 11:—Insert a new paragraph as follows:—

(f) by inserting a new subsection after subsection (6) as follows:—

(6a) For the purposes of this section the term "motor traffic pass" means a contrivance constructed in a gap in a fence crossing or near a road, which is designed to permit the passage of motor vehicles but to prevent the passage of livestock over or through such a contrivance.

The MINISTER FOR WORKS: I have no objection to offer to this amendment. The wording is exactly similar to that contained in the Main Roads Act Amendment Act. I move—

That the amendment be agreed to.

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

Resolutions reported and the report adopted.

A committee consisting of the Minister for Works, Mr. Rodoreda and Mr. Doney drew up reasons for not agreeing to certain of the Council's amendments.

Reasons adopted, and a message accordingly returned to the Council.

BILL—LAND ACT AMENDMENT.

Second Reading.

Debate resumed from an earlier stage of the sitting.

MR. MANN (Beverley) [12.35]: I shall not delay the House for long. I have considered the amendments introduced by the Minister and I am sure the House appreciates what has been done. One of the most regrettable facts is that for many years the stations have been engaged in building up flocks of sheep of a high standard, and many years must pass before it will be possible to recover the losses that have sustained on account of drought conditions. One point upon which I should like information from the Minister concerns the proposed amendment of Section 98. The proposal is to impose the same conditions as apply to a conditional purchase lease, that is, that the land should be held five years free of rent. I should like to know whether, if in the event of the lease being forfeited at the end of five years, a man may subsequently apply for and be granted a renewal.

The Minister for Lands: No, that would be collusion.

Mr. MANN: The last clause of the Bill is very satisfactory to pastoralists because it enables an adjustment to be made more easily than in the past. Members on this side of the House appreciate what the pastoralists have done for Western Australia and will also deeply appreciate anything that is done to help to rehabilitate them.

HON. C. G. LATHAM (York) [12.38]: The member for Beverley has touched upon the only point about which I wish to speak. There is a difference between a pastoral lease and a conditional purchase of Crown land. In one instance a man takes up a block of land and intends to purchase it. He has to pay for it before a Crown grant is issued. In the other instance a totally different condition applies. There is no provision for a man to own the property at any time. All he does is to obtain the right to graze the area. What I am concerned about is whether it is proposed to allow reverted properties to be leased. There are quite a number of properties in the North and I am wondering whether the condition will apply to them. In introducing the measure the Minister gave us an idea that the intention—a worthy intention—was to encourage pastoralists to take up unused and unselected Crown lands outside of the area previously selected. There is quite a lot of useful land south of the area already selected in the Kimberleys, but in the Kimberleys, as well as in the North-West areas, are a good many reverted properties that may be far better suited to the requirements of pastoralists than some of the holdings already occupied. If a new lease is issued, is it proposed to give the lessee five years' exemption from rent?

The point has been raised by the member for Beverley as to whether a man can take up a lease for five years for grazing and at the end of that time say to the Government, "You can have it back again" and then later secure a lease for a further period. The Minister shakes his head, but he will not always be Minister for Lands.

The Minister for Lands: That could happen now.

Hon. C. G. LATHAM: It does not happen in regard to an ordinary conditional purchase lease because we insist on the man's taking possession immediately and making certain improvements. That is not required in relation to a pastoral lease.

Mr. Rodoreda: Yes it is.

Hon. C. G. LATHAM: If abandoned properties are selected improvements will not have to be made because they are already there. Very little improvements have been made on the pastoral runs in the Kimberleys. It would have been much more profitable to pastoral lessees if they had effected improvements. I know that recently water supplies have been provided by the sinking of wells, but in the early days nothing was done to improve the properties. All the pastoralists did was to graze out the river frontages and to-day they are regretting that. Some of the more progressive pastoralists are putting down wells and doing some fencing. But one has only to go through the Kimberleys to discover that for hundreds of miles there is not a fence. I am anxious to assist the pastoralist, but we cannot allow anyone to exploit the Land Act without the State deriving some benefit. There is a distinction between the selling of Crown land and giving concessions in the early part of period of occupancy and the leasing of pastoral runs. So long as the Minister gives an assurance that under the Act sufficient safeguard is provided there can be no objection to the measure. I agree that the very heavy toll taken of the flocks justifies the House showing consideration to the pastoralists. We on this side of the

House, do not desire to make political capital out of the situation and we applaud the Government for arranging to give relief.

The other important clause of the Bill is to make permanent provision in the Land Act for the Minister to give concessions to anyone who finds himself suffering from disabilities due to drought. A safeguard is provided in that the appraisement board must make a recommendation to the Minister for such relief to be granted. In the other instance there is no such provision. If a future Minister for Lands wants to favour some friend of his, he can say, "You can have that land for five years." The man can abandon the land at the end of that time and then get it back for another five years. I am sure the House does not desire that and some safeguard should be provided.

MR. RODOREDA (Roebourne) [12.44]: The House need have little apprehension that what the Leader of the Opposition forecasts will take place because a similar procedure could be adopted under the Act at present, particularly in the country to which these conditions will apply. Most of that land is on the fringe of settlement, is very far out and the cost of transport is high.

Hon. C. G. Latham: They do not pay rent but they use the land.

Mr. RODOREDA: As I said, the same procedure can be adopted now. A man has only to take up a minimum of 20,000 acres and if he pays rent he can have the use of a million acres around him until somebody else comes along and wants it. The country has been lying there ever since there has been settlement and it has not been taken up. There is no danger of its being rushed. I know settlers who have been there 10 or 12 years. They have had only 20,000 acres for which they have paid rent, but they have used half a million acres. But what the Bill will do is to enable those people to take up that land and put improvements on it. They will not do it now, because somebody else can come along at any time and take up the improved country. We need not be apprehensive that the clause may be used to the detriment of the Lands Department. Certainly collusion could occur, but I have sufficient faith in the departmental officials to know that collusion would be a difficult matter to get away with. I am indeed pleased to see that the Government has at last made drought relief a permanent feature of the Land Act. If there is one thing certain in this uncertain world, it is that drought will always be with us in some portion of our huge State. Pastoralists in one portion of the country will suffer severely from drought while other parts of the State have a bountiful season. The picture painted by the Minister for Lands was really an under-statement. The conditions are appalling. This year the effects of the continued drought are a great deal worse than anything ever experienced previously. I know stations carrying an overdraft of £6 per head of sheep; how they will ever get rid of it, I do not know. The general estimate is that about £2 per head of sheep is all a station can carry and get out of its difficulties. What the pastoralists can do beyond what the Government does is beyond me to fathom. Some of the financiers who backed these stations will have to bear portion of the loss. I am glad that the Government has done and is doing so much for the pastoralists.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and transmitted to the Council.

BILL—FRIENDLY SOCIETIES ACT AMENDMENT.

Second Reading.

Debate resumed from the 7th December.

MR. SAMPSON (Swan) [12.50]: There can be no question that the passage of the Bill is well justified. It has been carefully considered by the friendly societies in consultation with the Registrar, Mr. Bennett, and there is unanimity of approval. Two principles are contained in the Bill. One endorses and gives statutory powers to the societies to enter into national health insurance, while the second makes provision to release certain equities possessed by members in the benefit funds of the various societies who, by reason of being required to insure under national health insurance, may have decided to withdraw from a friendly

society. Actually the position is that consideration may be given to the payment of a surrender, the value of course to be determined. Temporary approval by the Commission has been granted to friendly societies to operate under the National Act, on condition that provision is made to provide equities to members of friendly societies who are concerned in national health insurance. The Bill deals with the case of a member who cannot afford both national insurance and friendly society membership; and it provides opportunity, as I have already said, to pay a surrender value where withdrawal from a friendly society has been decided upon. The Bill is a necessary measure, and I feel sure it will pass readily and without amendment.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and *passed.*

BILL—INSPECTION OF SCAFFOLDING ACT AMENDMENT.

Council's Amendments.

Schedule of seven amendments made by the Council now considered.

In Committee.

Mr. Hegney in the Chair; the Minister for Works in charge of the Bill.

No. 1 Clause 3:—Delete paragraph (b).

The MINISTER FOR WORKS: The amendment made by the Council refers to the height of scaffolding We have for a long time endeavoured to reduce the height of eight feet provided in the Act. I have discussed this matter with the principal architect and the Chief Inspector, who insist the first scaffolding rigged is breast-high, namely 4ft. 6in., and that it is just as necessary such scaffolding should be safe as if it were eight feet from the ground. I move—

That the amendment be amended by the addition of the following words:—"and substitute a new paragraph to stand as paragraph (b) as follows:—"(b) By deleting from paragraph (1) of the definition of 'scaffold' the words 'eight feet,' and by inserting the words 'four feet six inches' in lieu thereof."

1 a.m.

Question put and passed: the Council's amendment, as amended, agreed to.

No. 2. Clause 7:—Delete paragraph (b):

The MINISTER FOR WORKS: This refers to the thickness of the timbers or boards used as scaffolding. A width of eight inches is considered necessary to provide sufficient strength in the planks to support the full weight of a man and perhaps a load of material. If planks an inch and a half in thickness are permitted, it is considered they would not be strong enough for the purpose. The use of a series of narrow planks tends to create uneven surfaces over which the workmen are more likely to trip than would otherwise be the case. Most of the planks in use are already of the greater width. The governing factor in this instance is safety. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 3. Clause 7:—Delete paragraph (c):

The MINISTER FOR WORKS: This is consequential on the amendment we have just dealt with. The paragraph deals with the width of runs and gangways. The Chief Architect and Chief Inspector say that the present regulation provides for a gangway 18 inches in width. As practically all scaffold boards are eight inches in width, two boards and a piece are required to constitute a width in accordance with the regulation. We now desire to provide for three planks in width which is regarded as necessary. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 4. Clause 7:—Delete paragraph (d):

The MINISTER FOR WORKS: The paragraph deals with the space between the rungs of ladders. The Chief Inspector of Scaffolding is particularly keen on this provision, which does not apply to all ladders but to those used by hod carriers. There was merit in the contention of the member for Williams-Narrogin during the Committee stage.

Hon. C. G. Latham: The one ladder does for various purposes.

The MINISTER FOR WORKS: Practical builders have adopted this standard for ladders. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 5. Clause 7:—Delete paragraph (e):

The MINISTER FOR WORKS: I propose to meet the views of the Council by substituting another paragraph that I think will be acceptable. I move—

That the amendment be amended by adding the following words:—"and substitute a new paragraph, to stand as paragraph (e) as follows:—'(e) by adding at the end of regulation 19 in part 2 the words "as to any such unsafe gear as consists of ropes, same shall be confiscated by the inspector and destroyed by his order, and as to any other such unsafe scaffolding or gear, if the unsafe portion can be removed so as to render the remainder fit for use as scaffolding or gear, the inspector may, after such removal, permit such remainder to be used."'

Mr. Doney: That amendment should be acceptable.

The MINISTER FOR WORKS: The amendment is in accordance with common sense, and I think will prove acceptable to the Council.

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

No. 7. Clause 7:—Strike out the words "for at least 12 months" in lines 39 and 40 on page 8.

The MINISTER FOR WORKS: This amendment is not important and will not affect the position very much. I move—

That the amendment be agreed to.

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

Resolutions reported and the report adopted.

A committee consisting of Mr. Doney, Mr. Coverley and the Minister for Works drew up reasons for not agreeing to certain of the Council's amendments.

Reasons adopted and a message accordingly returned to the Council.

BILL—TRAFFIC ACT AMENDMENT.

In Committee.

Mr. Hegney in the Chair, the Minister for Works in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4—Amendment of Section 9:

Mr. SEWARD: Will the Minister explain the reason for the alteration proposed in Subclause 2.

The MINISTER FOR WORKS: If it were insisted that the licensing period should be for six months continuously as at present, difficulty would be experienced in respect to the insurance. The change is necessary to enable compulsory insurance required to be co-ordinated with the period for which the vehicle is licensed. I think ours is the only State with a fixed period. There are 60,000 licenses in this State and it can be understood what would happen if an insurance company had to provide policies in a desperate hurry. It is simple to write out a license, but insurance policies are not so easily written out. The effect of the amendment is to discontinue the standard licensing period in order to facilitate the issue of insurance policies.

Mr. SEWARD: Subclause 4 is in conflict with Subclause 6. Under Subclause 4, an owner has three months in which he can demand that the local authority issue to him the number that had been assigned to him the previous year; Subclause 6 provides that the owner who fails to obtain a new license must return the number plates to the local authority within 14 days. Therefore, the local authority would be required to retain those plate for a period of 2½ months.

The MINISTER FOR WORKS: The matter is not vital. An owner might not be in a position to license his car; under the Bill, he has three months in which to obtain his own number plates.

Clause put and passed.

Clause 5—agreed to.

Clause 6—New section:

Mr. WATTS: What objection is there to the policy of insurance being produced, rather than the certificate mentioned in the clause? I move an amendment—

That the following words be added to subparagraph (i) of paragraph (b) of proposed new Section 13A:—"the policy of insurance; or."

The MINISTER FOR WORKS: Some insurance companies are unable to make policies available for several weeks.

Hon. C. G. Latham: A cover note could be obtained.

The MINISTER FOR WORKS: A cover note would be unsatisfactory. The owner of

the vehicle must obtain from the company a certificate which the company will honour, and he must produce it to the local authority; otherwise he will be unable to obtain a license.

Mr. WATTS: I am not concerned about the certificate The actual policy may be available and the owner should be permitted to produce it as evidence that he has insured.

The MINISTER FOR WORKS: The amendment cannot do any harm.

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

Clauses 7, 8—agreed to.

Clause 9—Insertion of new Part IVA.:

The CHAIRMAN: This clause embodies a number of proposed new sections and I intend to put each one separately.

Mr. WATTS: In proposed new Section 55, Subsection (1), something appears which trespasses on the British justice argument. I merely draw attention to that. But in proposed new Section 56, Subsection (5), it is provided that—

> Any owner of a motor vehicle shall, on being requested so to do by an inspector or by any member of the police force, produce evidence that there is in force in respect of every motor vehicle owned by him a policy of insurance complying with this part.

The paragraph merely gives opportunities to annoy the vehicle owner, because the licensing authority is not to issue his license except for the full period. I move an amendment—

> That Subsection 5 of proposed new Section 56 be struck out.

Mr. Rodoreda: He might not apply for a license.

Mr. WATTS: If he has an unlicensed vehicle, he certainly cannot have a policy of insurance. The policeman can have him for the unlicensed vehicle.

The MINISTER FOR WORKS: Enforcement machinery must be provided. There cannot be any nonsense about this. Every vehicle must be insured; otherwise the whole system breaks down. It is no hardship on the driver to produce his insurance policy. The law already compels him to insure.

Hon. C. G. Latham: The local authority does not give him his license unless he produces the policy.

The MINISTER FOR WORKS: I consider the paragraph essential.

Mr. RODOREDA: Under the existing Act a motorist must produce his license to the police if they demand it. There is no more difficulty as regards a policy of insurance.

Hon. C. G. Latham: There is a difference. My insurance policy is in the bank at Narembeen.

Mr. RODOREDA: Unlicensed motors are now running about the roads, in spite of all the precautions. The owner of such a vehicle does not go near the licensing authorities, and therefore does not produce his insurance policy to them. The paragraph should be retained.

Amendment put and negatived.

Hon. C. G. LATHAM: With regard to proposed new Section 57, Subsection (2), paragraph (b), what is the meaning of "relative of the insured of a degree not more remote than the fourth degree"?

The MINISTER FOR WORKS: I am unable to state exactly. As regards insurance, the owner is not insured, and his family is not insured.

Hon. C. G. Latham: The servant ought to be insured.

The MINISTER FOR WORKS: A man is not compelled to insure his own family to the fourth degree, but he must insure other people. Everything in the measure is reduced to a minimum and all relatives to the fourth degree are excluded.

Mr. RODOREDA: It might be advisable to provide a definition of "fourth degree." If relatives to the fourth dimension were included in the thiry-party risk, the cost of the policy should not be increased. There should be no need to exclude them from the provisions of the Bill.

The MINISTER FOR WORKS: If members desire to enlarge the scope of the measure, they will have to provide an increase in the rates. This amounts to a bargain with the insurance companies, and anything that is added will have to be paid for.

Hon. C. G. LATHAM: With regard to proposed new Section 61 I do not wish certain remarks of mine on the second reading to be misunderstood. I have no objection to doctors and nurses charging for services rendered to an injured person. The point I was trying to make was that something should be done to prevent doctor from sending an injured person to a hospital when perhaps that person could be just as well looked after at home.

The MINISTER FOR WORKS: To proposed new Section 67 I move an amendment—

That in line 5, after the word "are," the following words be added:—"or where any term, warranty or condition contained in any policy of insurance issued for the purpose of this part is."

Amendment put and passed.

The MINISTER FOR WORKS: I move an amendment—

That in line 6 the word "five" be struck out and the word "six" be inserted in lieu.

Amendment put and passed.

The MINISTER FOR WORKS: I move an amendment—

That proposed Subsection 3 be struck out and the following words inserted in lieu:—"(3) the members referred to in paragraphs (c) and (d) of the last preceding subsection shall be appointed after consultation with such body or bodies as in the opinion of the Minister represent the interests of owners of motor vehicles and of approved insurers respectively."

Amendment put and passed.

Mr. McDONALD: Under proposed new Section 69, if notice is not given within one month, right of action is barred. The provision means that if a pedestrian or a person on a push bicycle is knocked down by a motorist, action must be taken within one month whereas other individuals may launch proceedings at any time within six years. Moreover, in the event of the breadwinner being killed, the next-of-kin entitled to take action may not realise the limitation imposed upon his or her rights. The provision appears to be drastic.

Hon. C. G. Latham: There must be some limitation.

Mr. McDONALD: Yes, but one month would appear to be unsatisfactory, in view of the fact that others may take action within six years.

The MINISTER FOR WORKS: The explanation given to me does not deal with the position fully.

Hon. C. G. Latham: I think we can delete the provision.

The MINISTER FOR WORKS: Some limitation is necessary.

Hon. C. G. Latham: Six years is too long.

The MINISTER FOR WORKS: I think that is so.

Mr. Hughes: What is wrong with a period of six years? It has operated satisfactorily for over 100 years.

The MINISTER FOR WORKS: The provision should not be limitless. If the Committee pass the proposed new section, I shall have the matter investigated by the Crown Law authorities and, if necessary, it can be amended in the Council.

Clause (embodying proposed new sections), as amended, put and passed.

Clauses 10 to 12, Title—agreed to.

Bill reported with amendments and the report adopted.

House adjourned at 2.3 a.m. (Thursday).

Legislative Council,

Thursday, 15th December, 1938.