The Minister for the North-West: Some of them do.

Hon. C. G. LATHAM: They do it cheaply and willingly, and some saving might be effected in that way. In times of stress such as the present, we cannot increase the income of everybody. So long as we treat all sections fairly, that is the main consideration. It is of no use increasing the wages and salaries of one section of the community at the expense of another. Too long have we tried that system, never giving a thought to the question whether industry could bear the additional expense. To this much of our present troubles may be ascribed. We have built up in Australia a standard worthy of Australia, but unfortunately we have so loaded our industries that the people engaged in them are the serfs and slaves of other sections of the community. That statement is perfectly true. Therefore I appeal to the Government to give serious consideration to the question whether we cannot help those people more effectively. They will carry on their work as in the past, but they have a right to expect reasonable reward for their labour. So, in supporting this Vote for the Legislative Council, I do ask the Government to give most serious consideration to avoiding increased taxation wherever possible, because I know very well that the charges upon the people of the State and upon its industries are so great that instead of making progress as we have done during the last few years it is to be feared that we shall have a retrogression setting in that will be difficult to overcome. There are some items of these Estimates on which I shall have to speak further. I do not think the Government is justified in its request for increased taxation. In my opinion the Government has enough revenue. If I were nearly as optimistic as the Premier, I would not suggest increased taxation. However, the hon. gentleman has an idea that the agricultural industry is far more prosperous than is actually the case.

The Premier: Oh no!

Hon. C. G. LATHAM: The only justification for increased taxation will be to enable that industry to carry on until it finds profitable markets for its products.

Progress reported.

House adjourned at 9.18 p.m.

Legislative Council,

Tuesday, 10th October, 1939.

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

QUESTION—WAR WITH GERMANY.

Employers' Liability Risk, etc.

Hon. L. B. BOLTON (without notice) asked the Chief Secretary: When may I expect a reply to a question I asked on the 21st September last as to the Government's intention regarding provision for war risks in connection with employers' liability generally?

The CHIEF SECRETARY replied: At present I have nothing to add to my previous answer, except to say that the matter is receiving consideration and that when a decision is arrived at the hon. member will be informed.

BILL—PROFITEERING PREVENTION.

Read a third time and returned to the Assembly with amendments.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Second Reading.

Debate resumed from the 3rd October.

HON. H. S. W. PARKER (Metropolitan-Suburban) [4.37]: This Bill is brought up every year, and I have opposed it every year—so far unsuccessfully. However, I wish to point out again that the evil which this measure proposes to remedy has long since ceased, and that now the remedy itself has become the evil. Recently an elderly couple came to me and stated that their

savings of £500 had been lent out on mortgage. They were well on in years, and they desired to get some of that money returned in order to make a few improvements to their own residence. In addition to this sum of £500, they have a small income. I did endeavour to get some of the money back, but the mortgagor was not in a position to pay. Incidentally, the security is the mortgagor's own house—his residence—and he looks after the place well. He being a keen gardener, the place is very well kept. Still, I was unable even to sell the mortgage. My friends were not in a position to lose any of their capital, and of course a £500 mortgage cannot be sold for £500. I then sought to get a transfer of the mortgage; but there was not sufficient security for people to take over the mortgage, although the interest is paid regularly. Now these unfortunate people are unable to improve their own residence for the last few years of their lives—they are both over 70 years of age—because of this legislation. And that is only one case. I could cite a great many instances of hardship arising under the legislation. I could also cite many instances of mortgagors taking full advantage of this legislation at the expense of the mortgagee. In order to force the mortgagor to repay, the mortgagee is put to much expense in making an application to a judge. To my mind, this should not be, because the mortgagor should be the person to obtain the indulgence, not the mortgagee. The longer this legislation continues the greater will be the hardships. We have now arrived at the position where a person, having borrowed money on the security of property, has not the slightest intention of repaying the principal; because he knows that as long as he pays the interest and keeps the property in reasonable repair, it is impossible for the mortgagee to obtain repayment of his principal while this legislation exists. As I have pointed out, there are many cases of hardship. Estates cannot be wound up because of the effect of this legislation. Another point is that money is tied up and consequently is not available to industry. A person who unfortunately lent his money out on mortgage before 1931 cannot now get it back in order to invest it in industry if the mortgagor declines to pay it. Therefore a tremendous amount of capital is tied up indefinitely and will continue to be tied up indefinitely while this legislation is in force. I again plead with the Government to throw upon the mortgagor the onus of obtaining relief and thus assist the mortgagee to that extent.

If the Government finds that it cannot entirely repeal the financial emergency legislation whereby interest rates were reduced by 22½ per cent., I would ask the Government to consider amending the legislation so as to make the reduction 10 per cent, because if the benefit is reduced gradually in this way mortgagors will realise that they must endeavour to pay their debts. In that way this legislation could gradually be abolished. As I said, the longer it remains the greater will be the eventual hardship. If something cannot be done in that direction this session, then it should be done next session, even though hostilities are not ended. On this occasion I feel bound to vote for the second reading, although it goes very much against the grain to do so.

HON. G. W. MILES (North) [4.45]: I regret that it should again be considered necessary to bring forward a Bill for the continuance of this legislation. I endorse the views expressed by Mr. Parker, although I was surprised to hear him say at the conclusion of his speech that he intended to support the Bill. I would like this legislation discontinued, so forcing the Government to bring in another Bill placing on the mortgagor the onus of making application for relief. There are hundreds of cases of hardships under this legislation. I had one quoted to me to-day. Years ago a man lent £1,000 to a civil servant in a prominent position and renewed the mortgage at seven per cent. When the Mortgagees' Rights Restriction Act was passed, the rate of interest was reduced to 5½ per cent. The mortgagor is drawing a Government pension. The mortgagee wants his money—he is a family man—but he finds it impossible to obtain it without incurring considerable expense. The legislation should not be continued, it cannot remain on the statute-book indefinitely. Similar cases were quoted by Mr. Parker. For this reason I oppose the second reading.

HON. L. B. BOLTON (Metropolitan) [4.46]: I also support the remarks of Mr. Parker; but, unlike him, I shall vote against the second reading. I have voted

against the continuance of this legislation on the last three occasions that it has been before the House and I will continue to do so, because, like previous speakers, I know of cases of great hardship where some relief should be afforded. If the Bill passes on this occasion, then I hope with Mr. Parker that the Government will at least make some attempt to lessen the reduction of 22½ per cent, thus giving the mortgagee partial relief. As I have said, I will vote against the second reading.

HON. E. H. ANGELO (North) [4.47]: Like another emergency Act—I think the only other one that now remains on our statute book—this Act had its birth in 1931, in the depression period. I can well remember the then Attorney General, when introducing the Bill and similar Bills, stating that in his opinion the legislation would remain in force for only a few years—that was all! Had he not been so sure of that fact, I do not think many members would have voted for a Bill containing such provisions as are embodied in this Act, one of which compels a mortgagee desiring relief to apply to the court. I feel certain that if the legislation had not been looked upon as a temporary expedient, another place would have made certain that there would not be this hardship occurring through the continuance of the Act. It is quite time that the Act was allowed to lapse, although I consider that some such legislation is necessary in view of our present situation. If the Government would bring in a Bill to throw upon the mortgagor the necessity for making the application to the court for relief, thereby transferring it from the mortgagee, it would certainly have my support, provided that other measures were passed compelling a little sacrifice on all sections of the community, as was done in 1931. This legislation not only inflicts upon the mortgagee the hardship mentioned by Mr. Parker and Mr. Miles, but an additional hardship which members have perhaps overlooked. It appears that if a mortgagee has not a good case—although he may have suffered to a considerable extent—and fails to obtain relief on making application to the court, he must pay all the costs of the application. Even if he succeeds he cannot obtain a refund of the costs. Take the case of the mortgagee mentioned by Mr. Miles. I understand that that man would have to find £50 or £60 before he could approach the court.

Hon. J. Nicholson: Not for an application of this kind.

Hon. E. H. ANGELO: I have been assured that that is what the application would cost. Consider the provisions of Section 14—

> No costs shall be awarded against any party to an application under this Act; provided that the court shall have discretionary power to award costs against a party who has unsuccessfully and unreasonably made an application after the refusal of a previous application for substantially the same object or purpose.

If a mortgagee approached the court—to do so is not a cheap matter—and won his case, he would still have to lose perhaps six months' interest as a result of his effort to get his money repaid. That section of the Act might reasonably be amended. I cannot approve of a continuance of this legislation under existing conditions, but I would be prepared to support a Bill to place on the mortgagor the onus of approaching the court for relief.

HON. E. H. H. HALL (Central) [4.52]: I am glad members realise that some form of protection for mortgagors is necessary. I am aware that this law has operated harshly in a few instances, but when dealing with legislation of this kind, we should consider the greatest good for the greatest number. Probably it would be no exaggeration to say that for every mortgagee suffering hardship under the present Act, a score or more of mortgagors would suffer if the Act were not continued. I have no doubt that the House will pass the Bill, but the Government should introduce a measure designed to ease the position of mortgagees, who are not being treated as fairly as we could desire. Members have spoken of the conditions prevailing at present. I cannot imagine that they are unaware of the conditions affecting the people whom this legislation is designed to benefit, namely the primary producers. Surely members know of the hard times wool growers and wheat growers have experienced during the last few years, and agree that all possible protection should be given them by the State and Federal Governments.

Hon. H. S. W. Parker: The Act does not affect that.

Hon. E. H. H. HALL: It affects them. Properties were purchased in the hope that conditions would improve. Some of the purchases that have been made since the passing of the Act in 1931 might well be protected under legislation of this kind. During the last few weeks I have been requested by many people to urge the Government to introduce a moratorium. How would members view that proposal? I am not sure that the request should not be acceded to. What is the position of people who will be called upon to face the conditions produced by war and who, through circumstances over which they have no control, have not the slightest chance of meeting their obligations? I support the second reading.

HON. H. V. PIESSE (South-East) [4.55]: I regret that conditions have necessitated the introduction of this Bill. However, I can speak from the point of view of the primary producers, and more so than can metropolitan representatives of instances of hardship. Members have told us that buildings are going to rack and ruin for lack of maintenance expenditure and that, in many instances, rates and taxes on mortgaged property have not been paid. Last session I, as a representative of a country province, was prepared to agree to the deletion of the metropolitan area from the operation of the Act. There are no properties in Western Australia—and probably the statement applies to Australia as a whole—that will now show a 50 per cent. margin of value over the mortgages. I refer to the mortgages in force in 1931. Can any member indicate a property that is now worth as much as it was in 1931? There is no property of the kind in my district.

Hon. W. J. Mann: There is in the group settlement areas.

Hon. A. Thomson: The hon. member means farming properties generally.

Hon. H. V. PIESSE: Yes. A group holding is only a small property, but grazing and wheat-growing properties are not of the value they were in 1931.

Hon. H. S. W. Parker: Whose loss is that?

Hon. H. V. PIESSE: That is where we want equality of sacrifice. This legislation gives men who owe money on mortgage a chance to carry on. They cannot raise the money to meet the mortgage unless the financial institutions are prepared to advance more than 25 per cent. in excess of the value of the property. In former years most properties could be mortgaged to the extent of 50 per cent. of the value. Financial institutions such as insurance companies and trustee companies, and private mortgagees were prepared to lend on that margin. I hope the House will approve of the continuance of the Act. Apart from the difficulties due to low prices, primary producers have to face the war period. Only one instance of hardship to a mortgagee was brought under my notice during the recess. A widow wrote mentioning that I had supported the continuance of the Act and stating her case. I wrote to the mortgagor setting out the facts, and he has since paid the money.

Hon. A. Thomson: After you had threatened him.

Hon. H. V. PIESSE: That does not matter. I admit having told him that if he did not pay the money, the lady, on my advice, would approach the court. Undoubtedly the consensus of opinion is that the cost of making application to the court would be £50.

Hon. J. Nicholson: Not for an application of this kind.

Hon. H. V. PIESSE: If it cost £50——

Hon. J. Nicholson: If a transfer of property were involved, that might be so, but the cost of making application to the court under this legislation would not be so much.

Hon. H. V. PIESSE: The time has arrived when arrangements might well be made for the Crown Law Department to advise mortgagees who desire guidance on the question of approaching the court for relief. It is the thought of going to a lawyer that prevents a number of people proceeding with legitimate applications; they never know what their costs are likely to be until the account comes in. I can safely say that a great hardship will be inflicted on people who owe money on mortgage, and particularly so in the country, if the Act is not carried on for another term. I hope that members will again pass the Bill. I intend to give it my support.

HON. J. CORNELL (South) [5.2]: To be consistent I must oppose the second reading of the Bill. I have opposed it for the past two or three sessions. So far as its application to the South Province is concerned, the Act itself would apply in only half a dozen cases, if that number. I am convinced of that, because prior to the passing of the Act it was a difficult matter even to give a property away on the goldfields, let alone secure a mortgage on it. Gold had not started to increase in value to any appreciable extent at that period of the depression. Regarding the agricultural industry about which Mr. Piesse is so solicitous, I think in Walgoolan about two cases might be affected. No one has yet been able to ascertain why the Commonwealth Bank came into the picture there. That being the position, it is clear that in the Province that you, Sir, Mr. Williams and I represent there will be few, if any, applications under this measure. But there is the broader and more general aspect than the insular view that Mr. Piesse has so consistently advanced in this matter. He has told us that politics at times make strange bedfellows. The restriction of mortgages and the reduction of the rates of interest also make strange bedfellows. That is the position also which the Labour Party and the Country Party occupy, because they were in unison on this question at the last elections. I trust that the war conditions will not be used as an argument for the continuance of this legislation. The question of hardship has also been mentioned by Mr. Piesse and his off-sider, Mr. Wood, has helped him; they claim that the farming community will not be able to carry on if the Act is not continued. I venture to suggest that half the mortgages in the Province that Mr. Piesse represents are second mortgages.

Hon. H. V. Piesse: No.

Hon. J. CORNELL: In the East and South-East Provinces I know that half are second mortgages. In those Provinces the Agricultural Bank has wide ramifications. Thus the number of people to be affected by the Act can be reduced by 50 per cent. I have yet to learn that any financial institution is stupid enough to revalue its own assets. If, for argument's sake, the trading banks were to call up all mortgages in the rural districts, I should say they would be heading for Claremont.

Hon. G. Fraser: They would then have a lot of properties on their hands.

Hon. J. CORNELL: Mr. Piesse has not told the House that despite the Act remaining on the statute-book, the trading banks can and do get rid of mortgages, and they get rid of the man to whom they have lent the money. Mr. Piesse knows that where the banks find that the personal equation is not worth carrying, they cut the loss in their equity and open a separate account, a "Kathleen Mavourneen" account, and any money that comes in subsequently is more or less, as a punter would say, "Money from home." That being so, what hardship would the wiping out of this statute entail? In the course of my investigations—for a considerable period I have been on a committee that deals with the man on the land—I have found that the trading banks give the client as good and in some cases a better deal than does the Agricultural Bank, and that client knows to a far greater degree just how he stands. Mr. Piesse, in his support of the continuance of the Act, used specious arguments.

Hon. H. V. Piesse: I did not refer to the Act; I spoke about private mortgages.

Hon. J. CORNELL: In the hon. member's own words, the mortgagees are the insurance companies. Those companies are the custodians of public money, and lend it on mortgage. I am endeavouring to show that Mr. Piesse's arguments, if critically analysed, are just so much smoke. The Act has been on the statute-book for eight years, and money had to be found by the various institutions. New money had to be found for the client who did not come within the purview of this legislation. I know that in the metropolitan area there have been cases of extreme hardship, cases in which relief should have been granted long ago, but I repeat that every section of the community that was called upon to make a sacrifice during the period of the depression, has been restored to its former position, except those who lent money on mortgage prior to the passing of this legislation. They have had no consideration at all. This legislation should not go on forever; nor should it be of a Kathleen Mavourneen type. Mortgages should be paid up or, in the light of experience regarding the value of money, written down.

Hon. G. Fraser: Who is going to do that?

HON. J. CORNELL: A number of institutions can do that. Who did it in the case of the group settlements where about £6,000,000 was written off?

Hon. G. W. Miles: It has been done privately.

Hon. J. CORNELL: Yes. I am satisfied that the people bound by this legislation would welcome a re-adjustment of the whole position. At present we are only tinkering with the matter, and the war is probably an excuse for continuing the legislation. I shall vote against the Bill.

On motion by Hon. E. M. Heenan, debate adjourned.

BILL—INCREASE OF RENT (WAR RESTRICTIONS).

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.57] in moving the second reading said: This Bill is a companion measure to the Profiteering Prevention Bill which was recently before this Chamber. It seeks to establish machinery for the control of rentals during the continuance of the war, and for a period of six months thereafter. The application of the proposed legislation will extend to all rented lands and premises in this State except those held under lease from the Crown. The Bill provides that the rents prevailing on the 31st August, 1939, shall be the "standard rents," or where land was not rented on that date, the rent at which it was let before that date. Included in the standard rent will be any bonus, fine, premiums, or other like sum, paid or to be paid, under the terms of the lease. The intention is that the rent payable under any lease during the operation of this legislation, shall not be increased above the rate charged on the 31st August, except under certain conditions. A landlord will be allowed to increase his rent where he incurs expenditure on the improvement, or structural alteration, of leased premises. The increase, however, shall be at a rate not exceeding six per cent. on the amount so expended, exclusive of expenditure on decoration or repairs. Where the landlord pays the rates chargeable on the occupier of the land, he shall also be entitled to raise his rent to meet any subsequent increase in such rates.

The Bill stipulates that no increase in rent shall be due or recoverable until the expiry of four clear weeks after the landlord has served notice upon his tenant. The notice must be accompanied by a statement setting out details of the increase. Provision is made whereby a tenant may recover any rent in excess of the amount chargeable under the Bill, from the lessor who received the payment. The measure contains special provisions relating to (a) land leased after the 31st August; (b) premises situated at any recognised holiday resort; (c) farms, grazing areas, orchards, market gardens or dairy farms which, prior to the 31st August were leased at a nominal or caretaking rent, and (d) the lease of other land where there are special circumstances which, in the opinion of the court, make it just and reasonable that the standard rent should not apply. Members will appreciate the fact that many properties will be brought within those four categories. When dealing with another measure, this phase was previously referred to; and provision has been made in the Bill so that in such instances fair and equitable treatment will be ensured. We propose that a landlord or tenant shall have the right to approach the local court for the determination of a "fair rent."

In determining the "fair rent" of any land, the court shall have regard to the rent paid for similar land in the vicinity, and where the lands, which are the subject of such applications, contain any structures built after the 31st August, the court may take into consideration any increased cost of building due to the war. The Bill provides for the right of appeal to a judge of the Supreme Court, against any magistrate's determination of a "fair rent" when the value of the land exceeds £2,000. No costs will be allowed, however, in any proceedings under the proposed Act. Except in certain circumstances, the court shall not make any order for the recovery of possession of land, so long as the occupier behaves in a proper tenant-like manner, and pays the standard, or fair, rent determined under this legislation. A tenant may be removed, however, if he commits waste or is guilty of conduct constituting a nuisance, if the premises have been sold by a mortgagee or the premises are required by the landlord for his own occupation, or for some other person in his employ. In addition, the court may order the removal of a tenant on any other ground deemed reason-

able. The Commonwealth Government, as members are aware, has also introduced legislation dealing with rentals, but the Federal Act is confined to houses and shops. The necessity arises, therefore, to introduce State legislation to deal with other properties that may be affected; hence the introduction of this Bill embodying the provisions I have indicated. An amendment to the Bill is rendered necessary because of the proclamation by the Commonwealth Government, within the last day or two, of certain regulations under the National Security Act. I shall place on the notice paper an amendment the object of which will be to provide that where the two measures are in conflict, the Commonwealth Act shall prevail. Where the provisions of the State legislation conflict with Commonwealth provisions, the section of our Act will not have application, but the rest of the measure will be quite valid and will be operative.

Hon. J. J. Holmes: Will the profiteering commissioner control this legislation?

The CHIEF SECRETARY: No. The Act will be controlled by the court. If the hon. member will read the Bill, he will appreciate that it is quite simple, although the legal phraseology in parts may be a little hard to understand. What was said regarding certain other legislation applies with equal force to the Bill. Here again it is a pity that some of the clauses are not so framed as to be easily understood. As the Minister having to present legislation to the House, I am in the hands of those officers whose task it is to draft Bills. I am not a legal man, and I must confess that as a layman I, equally with other members, sometimes have difficulty in gathering the actual meaning of some clauses.

Hon. C. F. Baxter: It would be a benefit to members if you had them interpreted.

The CHIEF SECRETARY: I will not go so far as the hon. member suggests. I hope every consideration will be given to the measure, which is just as necessary as the Profiteering Prevention Bill that we have agreed to. Members will find that the provisions are nothing like as drastic as those embodied in the Commonwealth Act, which is operative at present. If further details are required they can be obtained during the Committee stage. I move--

That the Bill be now read a second time.

HON. G. FRASER (West) [5.23]: I shall not discuss the Bill at great length. I support the second reading, and have no doubt the measure will reach the statute-book. Nevertheless, there is one phase to which I trust the Minister will give consideration. I refer to the portion dealing with rentals of premises at seaside resorts. The date stipulated in the Bill is the 31st August. At that period—

Hon. A. Thomson: Ninety per cent. of such houses at seaside resorts are empty.

Hon. G. FRASER: That is the point. Even those that are occupied are taken over on the basis of winter rentals. I know the Bill provides a method enabling the owner to secure an increased rent, but this means that the people concerned will have to take proceedings in court to secure that result. It is ridiculous to ask every person who has premises at seaside resorts—under existing circumstances, these are let on the basis of a summer tariff and a winter tariff—to go to court in order to have the rents fixed. Those rentals will naturally be fixed in accordance with the charges during the previous year. They will be fixed on the basis of the rentals that prevailed during the summer season.

Hon. L. B. Bolton: The Chief Secretary, in his capacity as Chairman of the Rottnest Bord of Control, should watch that part of the Bill.

Hon. G. FRASER: Perhaps that is the reason why the provision is included. However, I hope the Minister will give consideration to that phase. I am in accord with every other provision in the Bill, but I do not desire obstacles to be placed in the way of persons who desire legitimately to carry on their business as they did during the previous year.

The Chief Secretary: Have you read the applicable clause?

Hon. G. FRASER: Yes.

Hon. A. Thomson: And Mr. Fraser is right in his contention!

Hon. G. FRASER: The clause to which the Minister alludes fixes the 31st August as the date relatively to which rentals will be assessed. The Bill as it stands indicates how alterations in rent can be affected; but alteration will involve approaching the court. People will be able to secure a rental to be charged now, but it will be on the basis of what was charged on the 31st August. The owner will not desire to

secure authority for a rental differing from that which he obtained during every other summer season. I do not think the intention is unduly to harass owners of seaside resorts, nor should we wish the court to be overrun with applications for increases. Any owner of premises at a seaside or other pleasure resort would naturally be entitled to an increase in the rental during the summer period as compared with that charged in the winter months. Nevertheless he could not increase the rental unless he approached the court. That would be ridiculous. I hope the Minister will go into that point so that some alteration may be effected during the Committee stage.

HON. H. V. PIESSE (South-East) [5.25]: I support the Bill, which is necessary on account of war conditions; but I wish to direct the Minister's attention to certain clauses. When the Bill is in Committee, I shall certainly move several amendments. The Bill fixes the interest that may be charged at 6 per cent. Take the position of a man who owned a cottage that was rented to someone else, and who had to sewer the premises at a cost of £50.

Hon. J. Nicholson: That would be very cheap.

Hon. H. V. PIESSE: Yes; I am stating a low figure.

Hon. J. Nicholson: You certainly are.

Hon. H. V. PIESSE: Would not any tenant be prepared to pay 10 per cent. on £50 if he were to have the advantage of a sewered property as against one that was unsewered?

Hon. A. Thomson: That would be 10 per cent on the cost of installation?

Hon. H. V. PIESSE: Yes. The amount involved may not be very great, but such a disability will not afford encouragement to owners of properties to provide work for small contractors. A charge of six per cent. approximates the rate of bank interest so closely that landlords will not be inclined to carry out improvements. During the past week there came under my notice a case that will be of interest to members. A cottage in the country was rented to a person who fell in arrears to the extent of £28. He was then asked to leave the premises, which were subsequently found to be in a filthy state.

Hon. H. S. W. Parker: He was not mortgagee.

Hon. H. V. PIESSE: No; there is no mortgage on the property. I ordered certain repair work to be carried out at a cost of £30. As at the 31st August the rent of that property was nil, but a few days before that it was 19s. a week.

Hon. J. A. Dimmitt: If paid.

Hon. H. V. PIESSE: Yes, and it was not paid. The incoming tenant agreed to pay 25s. a week. I recognise that the provision in the Bill is quite just. We are prepared to fix the rent at that which would have been charged on the 31st August. That means the rental will be decreased to 19s. a week. The new tenant has approached me with a request for certain improvements that would cost about £40. I was definite in my reply to him when I said, "I cannot do that at six per cent." I am administering the estate, and as a trustee I am responsible for dealing efficiently with the property. I could not raise the necessary money at six per cent, and what advantage would it be to the estate if I could do so? If 10 per cent. interest were allowed under the Bill, I, as trustee, could undertake the improvements and show a small profit.

Another point to be considered concerns shops. Let members recall what so often happens in war time. A prospective tenant approaches a landlord and says he would like certain alterations made to the shop front. In all good faith the tenant may embark upon a new business and may ask for improvements to the shop costing from £100 to £200. If that particular business does not happen to prove a success the alterations may not be worth anything to the incoming tenant. Further alterations may be necessary. A landlord is therefore not likely to take such a risk if the figure remains at six per cent. If it were altered to 10 per cent. or a figure higher than six per cent., he might possibly agree to undertake the work. The Labour Government is desirous of keeping as many men employed as possible and must therefore agree that if work of this description is not undertaken, men available for doing it, not only in the metropolitan area, but throughout Western Australia, will be deprived of employment. Reasonable returns will permit of improvements being effected and I hope that when the Bill is in Committee we shall be able to alter that particular clause.

When I was at the Show on Wednesday I discussed with a certain banker one of the clauses of the Bill relating to rents of farm properties. There are many properties throughout the State that have been abandoned. There are also many bank and mortgaged properties that have been let at a low rental mainly in order to prevent their being entered by people who would destroy the improvements effected. I know of such properties that have been let at what one would call a caretaking value. The people occupying such farms have been able to make a success of farming operations, but if the Bill remains in its present form, the institutions or mortgagees will refuse to continue letting the properties for such low rent.

Hon. J. J. Holmes: Was not an amendment made in another place?

Hon. H. V. PIESSE: Was an amendment made to meet that position?

Hon. H. S. W. Parker: Yes.

Hon. H. V. PIESSE: Then I am sorry for having made a mistake. I misunderstood the position. I gathered from Mr. Fraser's remarks that an amendment made in another place met the difficulty facing people at seaside resorts. For a man to go to court to have a rent agreed upon will be costly. However, I understand it will be the layman's duty to approach the court and no other expense beyond that will be involved. I am pleased to know that the Bill was amended to permit of reasonable rentals being charged in the summer. Otherwise owners of buildings at seaside resorts would have been in a difficult position, especially those having to employ caretakers during the winter months. I support the second reading.

On motion by Hon. A. Thomson, debate adjourned.

BILL—RAILWAY LEVEL CROSSINGS.

Second Reading.

Debate resumed from the 3rd October.

HON. A. THOMSON (South-East) [5.35]: The Bill requires serious consideration. We know that last year a similar measure was submitted to the House and rejected. I find, on considering this legislation, that the convenience of the Railway Department is of first importance and that the convenience of the public is a secondary consideration. It has always been amazing to me that the Commissioner or the department has been able to have a by-law agreed to under which it is a crime or a misdemeanour for an individual to be within a quarter of a mile of a railway crossing—even though he cannot possibly see the crossing—if a train happens to be passing over it. Yet that is the law to-day. If a man happens to be caught on a crossing by an oncoming locomotive, the Commissioner and not the individual, is considered to be the injured party. Moreover, the victim is liable for the cost of the damage to the railway property. Years ago a motorist was trapped on a crossing and carried over the cattle pit, and his car damaged the ladder attached to the signal post. Members may believe it or not, but subsequently the man received a bill for the cost of the repairs to that ladder, although the damage was caused by a railway truck having pushed his car over the crossing and against the ladder. Incidentally the man was fortunate to escape with his life.

This measure is a little better than the one submitted last year, but the Commissioner is still given a preponderance of representation on the board. The Bill proposes to establish a board of three members of whom the Commissioner will have the privilege of nominating one, who will directly represent him. Then there will be one member mutually agreed upon by the Local Government Association of Western Australia and the Commissioner. The third member is to be nominated by and will represent the local authority in whose district is situated the level crossing under consideration, and it seems to me that that member is likely to be out-voted. I have received a communication—as no doubt have other hon. members—from a local governing authority which points out that if the Bill is passed great hardship will be imposed upon the district represented by that authority. Any decision relating to the closing of the crossing, it is contended, should be unanimous and the person making application for the closure should be responsible for finding the money for the construction of the new road that would be necessary to provide an outlet for people originally using the crossing. I agree with that. If it is in the interests of the Commissioner that certain crossings should be closed, the privileges of the people who have been living

in the area in which the crossing is situated and have used it for many years, should be safeguarded. In an important town on the Great Southern a crossing was moved at least half a mile further to the north. That closure seriously affected the properties of many ratepayers on the opposite side of the line. The crossing existed before the Railway Department constructed its station; and homes, hotels and business premises were erected. The closing of the crossing involved the people resident in that particular portion of the municipality in a serious loss. I can visualise the same trouble occurring in the town in which I reside. There is a crossing just beyond the railway station. From time to time traffic is held up because shunting has to be done. The people have been exceedingly patient and made no complaints. When better facilities were asked for some years ago we were definitely told that the best thing we could do was not to say too much or the Commissioner would close the crossing whether we liked it or not. That is the attitude the Railway Department has consistently adopted with regard to the closing of crossings. If the Bill is passed and the Commissioner has a two-to-one majority on the board, thus enabling him to close any crossing he likes, great hardship will be imposed upon many residents in country districts. On the other hand, when we have asked for a crossing to be opened for the convenience of the people they have been asked to find a very large sum of money, in the hope that thereby they would be discouraged from pressing their request. True, there probably are some crossings the closure of which would be in the interests of the Railway Department and would not inconvenience many people. Such crossings could very well be closed.

I regret that another place rejected an amendment, the acceptance of which would have meant that a crossing which had been in use for 20 years could not be closed. I hope we shall be able to include some such provision in the measure when the Bill is in Committee. In the metropolitan area crossings and gates have rightly been provided. But why should the Commissioner be placed in a much happier position in respect of the closure of railway crossings than are private citizens who have to pay rates and taxes? The measure should be carefully scrutinised. I feel inclined to vote against the second reading, because I foresee great difficulties arising if the Bill is passed. Those difficulties have been dealt with by local authorities who have submitted their views to us. A letter from the Gosnells Road Board states, in part, "It is even suggested that local authorities should provide traffic facilities, if necessary, after crossings have been closed." The possibility does exist that after a crossing is closed and traffic has been diverted for a mile or three-quarters of a mile, the local authority in the district concerned will be required, for the convenience of the Railway Department, to construct and maintain a road to take the place of that crossing. The road board points out that local residents have enjoyed reasonable facilities for reaching the main road and subsidiary roads, but that this Bill will deprive them of those facilities. In other words, facilities for which the ratepayers have paid will be scrapped, and the rates will have to be increased so that these conveniences may be restored in some other part of the area. When crossings are closed for the Commissioner's convenience, the Railway Department should recompense the local authority for any expenditure it incurs. Were I as a private individual to do certain things that caused expense to the local authority or my fellow citizens, I would be expected to pay compensation for the restoration of that which I had caused to be taken away. In Committee the Bill should be amended to provide that when a crossing has been open for, say, 20 years, it shall be allowed to remain open for the convenience of the public. Alternatively, should the Commissioner deem the crossing unsafe, he should either instal gates or provide an overhead bridge or subway. I cannot agree that it is right—in the department's interests—to deprive people of their rights and privileges. The Bill provides that "the board shall consider applications by the Commissioner for an order for the permanent closure of level crossings over railways specified in such applications, where such level crossings have been made by the Minister in compliance with the Public Works Act; and that the board shall make an order directing that the level crossing specified in any application by the Commissioner shall be permanently closed, if and when the board is of opinion that in the interests or for

the safety of the public, or for any other reason, such an order should be made." The powers are very great, and are likely to prove costly to the ordinary citizen. I feel I must vote against the second reading.

HON. W. J. MANN (South-West) [5.48]: I realise that some authority must be constituted to govern both the opening and closing of railway crossings. The proposed board appears to me rather one-sided. Its main function seems to be to deal with the closure of crossings. Mr. Thomson referred to the Bunbury-road. Buses run daily to the city from Armadale, Jarrahdale and Mundijong, and also run to Perth from Pinjarra. The buses from Armadale, Jarrahdale and Mundijong serve a number of people who are engaged in developing small holdings. The only access to the city, other than by rail, for these people is by bus. Many of the settlers reside a considerable distance from the railway station, and their only means of reaching the main road is by travelling along one or more of the streets that intersect the railway at different places. One has only to pass along the Bunbury-road in the morning to see numbers of persons waiting for a bus at various points. I do not know how many of these subsidiary roads the Railway Department is thinking of closing, but I know of no instance in which such closure would be justified. Many of the settlers in the areas affected would be compelled to walk a considerable distance to other crossings in order to connect with the bus, or alternatively would have to refrain from visiting the city. Perth holds many attractions for people living in the country. They like to effect purchases at the markets. The Bill seems to me a definite method of preventing persons in the country from engaging in that pursuit.

The Chief Secretary: The Bill will not have that effect.

Hon. W. J. MANN: If railway crossings are closed, people may be forced to visit Perth less frequently. The Bill contains no authority for the Commissioner, at the request of a number of people, to open a new railway crossing.

The Chief Secretary: It is not necessary that the Bill should contain such authority.

Hon. W. J. MANN: That may be so, but in the case of a new settlement along the railway it may be necessary to open a new thoroughfare. New areas of land may be taken up and groups of people may congregate in one particular locality. If the Chief Secretary had had the experience I have, in my endeavour to have a new road opened across the railway, he would know what an undertaking it was.

Hon. G. Fraser: This Bill will not make that position any more difficult.

Hon. W. J. MANN: A properly balanced Bill would provide for the opening of new railway crossings.

Hon. J. J. Holmes: If one crossing is closed, it may be necessary to open another.

Hon. W. J. MANN: Precisely. People may readily accept the closing of one crossing if they can get one opened at another point, but the Bill contains no provision for that sort of thing. When, in one or two instances, I have on behalf of constituents approached the Government with a request for a crossing over the railway, I have found the difficulty almost insurmountable.

Hon. G. Fraser: You would have to alter the Title of the Bill if you desired it to include such a provision.

Hon. W. J. MANN: There would be nothing wrong about that. Titles of Bills have been altered before. This measure is not fair in its incidence. If the Government wishes us to give the board power to close crossings, we should also furnish the board with power to open crossings.

The Chief Secretary: That power already exists.

Hon. W. J. MANN: Not in this measure. In effect, when one goes to the Commissioner with a request for a new crossing to be opened, one is facing a brick wall. He always has the same excuse to offer, and his word is final. I am not inclined to support the second reading.

HON. H. SEDDON (North-East) [5.55]: I have very few remarks to offer on this Bill. One suggestion I would make is in connection with the constitution of the board. The Bill provides that one member shall be mutually agreed upon by the association and the Commissioner and that he shall be the chairman of the board. It appears to me that the right person to appoint as chairman of the board would be a stipendiary magistrate. He could be counted upon to adjudicate impartially as between

the Commissioner's representative and the representative of the local authority. Another amendment would make the Bill more workable, namely, a provision that where a level crossing is closed the board may direct that the Commissioner shall provide a suitable subway or bridge for the carrying of the necessary traffic.

Hon. W. J. Mann: Or open another crossing at some other point.

Hon. H. SEDDON: If such amendments were embodied in the Bill, I would be prepared to support it.

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

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

Debate resumed from the 3rd October.

HON. G. FRASER (West) [5.57]: This is a small Bill All it sets out to do is to substitute "forty" for "thirty-nine." That is the sum and substance of it. We have to ask ourselves, "Are we prepared to continue to do what we have been doing during the last five or six years?" The only other question I have to ask myself is, "Are conditions better to-day than they were when we inserted the words 'thirty-nine'?" This House said last year that it was necessary to pass the Bill. I now ask, "Are the conditions better to-day than they were then?" My answer to myself is, "They are no better; in fact, they are worse today than they were in 1938-39." Having satisfied myself on that point—

Hon. J. J. Holmes: After several years of Labour Administration.

Hon. G. FRASER: Labour does not rule the world. If that were so, we might not be considering legislation of this kind.

Hon. H. S. W. Parker: We would have no Bills to deal with.

Hon. G. FRASER: It would not be necessary to deal with any, because everything would be so flourishing. I am satisfied that conditions today are worse than they were last year. If it was necessary to pass a Bill of this kind last year, it is even more necessary to pass it this year. That being the case, I support the second reading.

HON. H. V. PIESSE (South-East) [5.59]: I, too, have few remarks to make on this Bill. We all regret that the same conditions exist this year as existed last year. The Bill is a small one, and maintains the section of the parent Act providing for a reduction of 22½ per cent. on mortgages with a maximum of 5 per cent. interest.

Hon. G. Fraser: A minimum of 5 per cent.

Hon. H. V. PIESSE: Yes. One of the important points to be considered is that of bank interest. That is in the hands of the Government. If it finds that banks are charging excessive interest, it can by proclamation bring the Act into force. That is one reason why, when Mr. Wood brought up the question of amending the Profiteering Prevention Bill last week, I said I was waiting for this Bill. If there is any interference with interest, or any regulation of interest, that should be rectified by the Government, and the matter should be controlled by the Government rather than by a price-fixing commissioner. I feel sure members will realise that this Bill, though small, is an important one for people who have mortgages. I will support the second reading.

HON. H. SEDDON (North-East) [6.1]: I oppose the Bill on the ground that it has the same defect as the measure relating to mortgagees' rights. The defect is that of perpetuating a penalty on only one section of the community. As has been pointed out, Parliament has given relief in so many directions as to make it utterly unfair to continue to penalise the particular section here concerned.

Hon. A. Thomson: In my opinion, the Bill has an effect on new mortgages as well as on old ones.

Hon. H. SEDDON: It may have a moral effect on new mortgages. I oppose the second reading.

HON. G. W. MILES (North) [6.2]: I oppose the Bill. This is again sectional legislation. The parent Act was introduced in 1931, when every section of the community had to bear its share of the depression burden. Strangely enough, however, the Government has meantime found money enough to restore Parliamentary salaries. Yet it contends there is not sufficient money in the country to pay interest to mortgagees. Before the war is over we shall, I think,

have to reduce salaries generally, including those of members of Parliament. I should like to see the advice of Sir Frederick Stewart followed.

Hon. G. Fraser: Thirty salaries could be cut out here.

Hon. G. W. MILES: Eighty could be cut out in this State.

Hon. J. Nicholson: Fifty.

Hon. G. W. MILES: I should prefer to cut out the lot, and have each State run by half-a-dozen men, after the manner of a county council.

The PRESIDENT: I think the hon. member is rather wandering from the subject of the Bill.

Hon. G. W. MILES: I wish to connect my remarks up. The Bill is intended to continue existing protection to mortgagors by reducing interest payable to mortgagees. The original Act was passed during the depression. If the Government is sincere in continuing reduction of interest rates, it should set about effecting other forms of economy. I trust Ministers will give consideration to the points I have raised.

HON. A. THOMSON (South-East) [6.4]: This Parliament is faced with the need for passing much legislation which under normal conditions would receive scant consideration. The House has cheerfully passed a Bill to prevent profiteering.

Hon. E. M. Heenan: Did you say "cheerfully"?

Hon. A. THOMSON: Let me say that stress of circumstances forced us to pass that Bill.

Hon. J. J. Holmes: We handled it gently.

Hon. A. THOMSON: We improved it a little.

Hon. C. F. Baxter: But it may have no effect.

Hon. A. THOMSON: There is some truth in the statement that, Parliamentary salaries having been restored to their original level, a corresponding privilege should be granted to those persons who have suffered interest reduction. It is simply nonsense to speak of having State affairs handled by five or six men. In point of fact, that might be said to be the position to-day. We, however, are here to represent the people; and it is our duty to scrutinise carefully the legislation submitted to us. In view of the position to-day, is it reasonable on the one hand to pass legislation which says to the people "You shall not make undue profits" and on the other hand to defeat a measure intended to continue emergency legislation likewise of a restrictive effect? It is perfectly true that many people have been able to contract out of existing legislation. However, the mere fact of the legislation being on the statute-book has resulted in many mortgages being governed by the rate of interest which the parent Act allows to be charged. Numerous persons are now benefiting from that legislation. Let it be cancelled, and many a borrower would be faced with having to pay seven or eight per cent. per annum. I feel sure no member wishes to see the people called upon to meet such rates. We can safely let the Act stand. I venture to say that before the present struggle is over, the Commonwealth Parliament will be found fixing definitely the rate of interest permissible to be charged. To my mind that is absolutely certain. If a proposal were submitted to abolish State Parliaments and salaries attaching to them, I would support it for Western Australia, because, as Sir Frederick Stewart has said in the Eastern States—

The PRESIDENT: That question is certainly not before the House.

Hon. A. THOMSON: I admit that, Mr. President. I support the Bill, and sincerely hope that the House will not reject it under the present abnormal conditions.

Question put and passed.

Bill read a second time.

In Committee.

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

Sitting suspended from 6.12 to 7.30 p.m.

BILL—LIFE ASSURANCE COMPANIES ACT AMENDMENT.

Second Reading.

Debate resumed from the 26th September.

HON. J. NICHOLSON (Metropolitan) [7.30]: This Bill seeks to amend the Life Assurance Companies Act. In introducing it the Chief Secretary explained very fully its purpose, and his remarks were augmented and the position reviewed by Mr.

Piesse, who has been identified with life assurance business for very many years. The Chief Secretary said that the immediate purpose of the Bill was, in effect, to carry out the intention and purpose of the Victorian Act in relation to industrial life assurance. I have had the opportunity of perusing the Act and also the report which was furnished by the Royal Commission that took evidence on this important subject. The report is interesting. It was alluded to by Mr. Piesse, so I do not propose to make reference to it beyond the simple allusion to the fact that the report was made. There are some matters connected with the Bill, however, which I deem it desirable to bring before the attention of members. While the Act in force in Victoria is an Act standing by itself, separately and apart from the Victorian Life Assurance Act—it is not an amendment of that Act, but makes certain provisions respecting industrial life policies —the Bill now before us is an amendment to our Life Assurance Companies Act.

Hon. G. Fraser: What difference does that make?

Hon. J. NICHOLSON: I hope I shall make clear to the hon. member in a few words what the difference is. It is this: If members will study the Bill carefully they will find that, instead of its being limited merely to industrial life assurance policies it extends to all life policies. That I think would be undesirable; and it is inconsistent with the very provisions which the Chief Secretary is desirous of having enacted. He desires the Bill to deal only with industrial life policies.

Hon. G. Fraser: He would not mind extending it.

Hon. J. NICHOLSON: In the course of his introductory remarks, the Chief Secretary made a statement that about 75 per cent of the industrial policies taken out in Australia in 1935 were surrendered or forfeited during that year. Members will recall that statement. I have it on good authority that the total life assurance policies issued in Australia during that year numbered 372,306, and that they assured the sum of £16,161,641. The Minister, in giving the percentage of surrendered or forfeited policies, stated that all the policies issued in that year represented a value of £9,883,387, and that the total amount involved in forfeiture was £7,713,112. There is great disparity in those figures and obviously they require looking into. I call the Chief Secretary's attention to them. I would also remind him of the fact that while the total amount assured by a policy is one thing, it is a very different thing when one realises that probably only a very small sum —probably the amount of two or three premiums—has been paid on a policy for say £100. I take it the Minister, in quoting the figures he did respecting forfeited or surrendered policies, meant that the sum of £7,000,000 odd was the total amount assured by those policies, but not the total amount paid.

The Chief Secretary: I never suggested it was the amount paid.

Hon. J. NICHOLSON: The figures are rather misleading, as one will see. There is a very large difference between £16,000,000 and £9,000,000. The disparity requires explanation. Consequently, there cannot be such a large number of surrenders, nor would the proportion or percentage be that which was stated by the Minister. Having regard to that position and remembering that this matter was inquired into by a Royal Commission in Victoria consisting of men who are acknowledged experts, one can be guided and helped in one's deliberations by following what has been done as a result of the labours of that Commission. I venture to say it would have been much better if a Bill had been introduced here following more closely the lines of the Victorian measure. It would have made the position clearer. We all know that life assurance is one of those scientific or actuarial subjects that neither we nor the man in the street are capable of thoroughly understanding or pronouncing an opinion upon. That is not possible unless one has had actuarial experience to enable one to follow the calculations and computations necessary to be made in such matters. I am of opinion that Mr. Piesse's proposed amendments to the Bill should be acceptable to members, because—so far as I can follow the Bill and the amendments—the Bill will then be brought much more closely into line with the Victorian Act, which I understand is giving pronounced satisfaction.

I also draw attention to the fact that Clause 6 makes provision for bonds, guarantees or other securities not to be required from employees of a company. It will be observed that the clause provides a heavy penalty for any infringement. No such provision is contained in the Victorian Act.

Indeed, it was commented upon in the course of the Royal Commission's report. The Commission pointed out that the deduction that used to be made of 3d. or 6d. a week was not a desirable way of dealing with the matter.

The Chief Secretary: That is made, not used to be made.

Hon. J. NICHOLSON: But the taking of a guarantee is something clearly essential in an employment such as this. For example, if an organisation entrusts to a person the collection of premiums or gives him authority to effect assurances, some such provision is necessary. That is only fair and equitable. It can be done in the ordinary way by someone providing the guarantee for the person who is to carry out the duties; but this clause, if allowed to remain, would prevent any company, under a penalty of £50, from accepting any personal guarantee or bond on behalf of a man to be employed as a canvasser. Consideration should be given to these matters and that we should follow as closely as possible the provisions of the Victorian Act, which measure, I understand, has given satisfaction. A suggestion has been made that even the provisions of this Bill might be reviewed in relation to smaller companies; but the Royal Commission in Victoria must have received evidence on all matters connected with the various companies, and it reached conclusions that were beneficial to the general public. I shall vote for the second reading, but will support the amendments of which notice has been given.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [7.47]: From the discussion that has taken place I feel that the House will agree to a modification of the Bill as introduced. Mr. Piesse has given an indication, by amendments on the notice paper, of the particular modifications he desires. One can describe the amendments as dealing with two points. First there is the question whether an insurance company should give notice to its policy-holders before forfeiting or lapsing industrial policies and also give notice to ordinary policy-holders before forfeiting or otherwise dealing with particular policies; and secondly there is the question of an insurance agent, when taking service with a company, securing a bond. Those are the two points covered by Mr. Piesse's amendments. Even if the Bill does not include those particular points, it will be of some value, but from the policy-holder's point of view, I am inclined to think that the measure will not be so valuable as it should be, because if an insurance company is going to take action that will terminate a policy, whether industrial or ordinary, the policy-holder is entitled to something more than he receives at present in the way of notice of intention so to act.

Some members will say that included in the contract usually printed on the policy are clauses dealing with the right of the company to forfeit or lapse a policy in certain circumstances, but I know that a large number of policy holders do not read the conditions. They accept what is told them by the agent who has succeeded in getting them to take out policies, and I imagine that in many instances the policy-holders would have no idea that the company could take action without giving certain notice. To reach such a conclusion would be quite reasonable. I suppose thousands of policies are issued without the policy-holders understanding the conditions attached to them. They are prepared to take the word of the agent with whom they are dealing, and this applies to industrial policies as well as to ordinary policies. Of course a business man or a legal man like Mr. Nicholson would read closely all the conditions attached to such a document, but many people would accept the conditions as a matter of course, only to find they had no redress in the event of action being taken by the company. Mr. Nicholson suggested that, in introducing the Bill, I said it was very similar to the Victorian measure. I do not remember having made that statement.

Hon. J. Nicholson: I gathered it from what you said.

The CHIEF SECRETARY: I said that a Royal Commission had sat in Victoria and had dealt with the question of industrial insurance, that the Commission had taken a lot of evidence and had submitted many recommendations, most of which had been incorporated in the Victorian Act. But I did not say that this Bill was modelled on the Victorian Act. I quoted from the report of the Royal Commission, and I think the extracts I gave were in support of the Bill as introduced here. Clause 4 deals with notice to policy-holders. It provides for inserting a new section in

the Act to be known as Section 58A. That is the only clause in the Bill, I believe, dealing with other than industrial policies, and all the clause provides is that notice shall be issued to the industrial policy-holder before a company forfeits any policy. Then it provides that policy-holders other than industrial policy-holders shall receive notice before the company shall have the right to forfeit policies. For industrial policies we provide a period of not less than 14 days' notice and for ordinary policies a period of not less than 30 days. I cannot see any harm in that provision.

The argument has been advanced that the giving of notice will entail more expense to the companies and probably mean the engaging of more employees to deal with the large number of policies, but I do not think that the additional work will be so great as has been represented by Mr. Piesse. Agents call upon industrial policy-holders each week, and the agents could have a printed form that could be left with the policy-holder or, in his absence, with the householder, and that would be sufficient notification. For ordinary policy-holders the company might have to forward the intimation by some other means—perhaps through the post or by some agent in the district making a special call upon the policy-holder to ensure that he understood that unless the premiums due were paid within a certain time, the company would forfeit the policy. Even if a company should be involved in a little more expense, I think this is something that should be done. I admit that the Victorian Act does not include a provision to that effect. I pointed out that the English Act provides for notice in addition to the time stipulated in the contract or on the policy. Therefore, if we agree to the provisions of the Bill as regards industrial policies, we shall merely be prescribing that notice of not less than 14 days shall be given, whereas the English Act provides for 28 days' notice.

I think I made clear when speaking before that all companies are not in the position I described and that all companies do not treat their policy-holders in the same manner. Some companies are generous, while other companies can be described as particularly hard. Even if all the provisions of the Bill were approved, some of the companies would hardly be affected, because the conditions under which they are operating to-day are practically equivalent to the conditions prescribed in the Bill. But there are other companies to which these remarks do not apply. Mr. Nicholson referred to some of the figures I quoted dealing with the number of policies surrendered or forfeited during recent years. Because of his remarks, I have looked up "Hansard" to refresh my memory as to what I did say. In the report there is a word which, if I used it, I did not intend to use. That word is "issued"; it should be have been "discontinued." Not that it makes very much difference, but I wish to put myself right regarding my statement of the number of policies discontinued in Australia. I certainly did say that 75 per cent. of the policies discontinued in the years 1935, 1936 and 1937 were either forfeited or surrendered, and I repeat the statement that less than 25 per cent. of the industrial policies finalised in those years actually matured—that is, were paid on the death of the policy-holder or on account of effluxion of time. So the question of values of these particular policies does not matter very much when, as it happens, it works out almost the same whether we take the value of the policy or the number. I propose to quote again the number of policies for the years 1935, 1936 and 1937, policies which matured either by the death of the holder or as a result of the policy running its full period of 20 or 25 years, as the case might be, or as a result of surrender or forfeiture. These are the figures: In 1935 there were 47,813 policies discontinued as a result of death or maturity; 13,175 policies were surrendered, and 173,507 were forfeited. There is a lot of difference between the policy that is forfeited and the policy that is surrendered. One is due to the voluntary action of the policy-holder, whereas the forfeiture is the result of the insurance company——

Members: Oh no.

Hon. H. S. W. Parker: They had no surrender value.

The CHIEF SECRETARY: They were forfeited because the company exercised its right.

Hon. J. Nicholson: No, it would be due to the default of the insurer, who knows that his premium is due on a certain date

and that it should have been paid on that date.

The CHIEF SECRETARY: The hon. member can take a lenient view of the position if he wishes; I do not take the same view. In many cases these policies would not have been forfeited if the policy holders had in the first place received notice from the company that forfeiture would take place unless the payments due were made within a certain time.

Hon. J. Nicholson: I take it you will admit that canvassers should call on these people.

The CHIEF SECRETARY: Generally speaking, I think such calls are made regularly. With regard to an industrial policy, it is not necessary for a canvasser to call; the onus is on the policy holder himself to pay the premiums at the office of the company if the agent does not call. In the same year—1935—the number of policies discontinued was 234,425, and only 47,813 reached maturity in that year. Those figures indicate that there is necessity for some control of this business. Not only the Victorian Royal Commission, but other bodies that carried on investigations in other parts of the world, arrived at the same conclusion. So by this Bill we are endeavouring to make the position a little easier from the policy holders' point of view without doing any harm whatever to the companies engaged in the business. The figures I quoted were for 1935. The relative figures for 1936 were, 57,257 policies reached maturity; 12,852 were surrendered; and 174,596 were forfeited. In 1937 the number to reach maturity was 63,299; the number surrendered 13,124, and the number forfeited 181,817. The total number of policies discontinued in 1937 was 258,374.

Hon. H. Seddon: What was paid on those policies?

The CHIEF SECRETARY: I do not know that the amount of premiums paid on those particular policies affects the position at all. Many of the policies might not have had more than a few weekly or monthly premiums paid on them, but surely there must be something wrong when such a large proportion of industrial policies—and we must remember that most of them are taken out by that section of the community that might be termed the working class—are discontinued in any one year as the result of forfeiture. The report of the Victorian Royal Commission can, I think, be taken as being very fair.

Hon. J. Nicholson: I think it is.

The CHIEF SECRETARY: It indicates strongly that in Victoria certain practices were, shall I say, put into operation by the companies and agents and which from the point of view of the Commission at any rate were highly undesirable.

Hon. J. Nicholson: The Commission did not disguise anything; it made a frank statement and then came to its conclusions.

The CHIEF SECRETARY: Exactly, and the Victorian Parliament adopted the recommendations.

Hon. J. Nicholson: The Victorian Act is the result of the Commission's recommendations.

The CHIEF SECRETARY: It is a fact that although the Royal Commission did not recommend the issue of notices, it did make certain other recommendations with regard to the endorsement of policies and premium receipt books for the purpose of safeguarding policy holders. Then with regard to the question of guarantee bonds, we find on page 33 of the report these remarks—

> As the agent is required to refund to the company commissions received by him in respect of policies which lapse within a certain time, his guarantor becomes liable for the amount of such commissions. This obligation is contained either in the guarantee agreement or the agency agreement. This is not always understood by the guarantor who, in some instances, has been called upon to make payments to the company in respect of a liability of which he was unaware.
>
> While some of the companies do not avail themselves of their rights against the guarantors in respect of commissions repayable on account of lapsed policies, and while these rights may be useful as a protection against fraud on the part of agents, we consider that under a guarantee agreement the guarantor should not be required to pay to the company the amount of the commissions repayable by the agent on account of lapsed policies.

I know of cases where a guarantor has been called upon to make good an amount to a company, although the company had made no attempt to obtain the amount from the agent himself. That is not right. Nobody in my opinion can attempt to justify procedure of that kind. While we are providing in the Bill that the usual guarantee

that has been obtained in the past shall not be allowed in the future, we are not for one moment suggesting, as Mr. Nicholson has inferred, that the company should not have a guarantee at all, because the provisions of that particular section do not apply to a fidelity guarantee issued by any incorporated company.

Hon. J. Nicholson: That is a different thing and it is costly.

The CHIEF SECRETARY: I do not know that it is costly. Surely if it is desirable for a company to have reputable people representing it, it is also desirable to see a fidelity guarantee is secured. If men cannot get such a guarantee, there must be something wrong. It would at least be an insurance, that the men engaged in the company's behalf were reputable people.

Hon. H. Seddon: Some companies do follow that practice.

The CHIEF SECRETARY: I understand that some companies do. In some cases the method is to deduct a small sum weekly from agents' earnings as a guarantee premium, and no matter what amount this may reach the agent has no claim to it, no matter what happens; and, what is more, he has no check on the amount debited against him from time to time. As a matter of fact, the Victorian Royal Commission had quite a lot to say on that point. On the other hand, some companies deduct a small amount —which is credited to the agent—until that amount reaches, say, £20; then when the agent leaves the company's service he is entitled to have the sum repaid to him less any claim the company may have against him. I have no objection to that being done, but I have strong objection to any deduction being made by an insurance company which an agent has no right whatever to question. A company employing a large number of agents would be holding a fairly considerable sum of money, a sum that might not be of any great importance from the company's point of view but would be considerable from the point of view of the agent. I do hope that the amendments outlined by Mr. Piesse will not be agreed to by the House. From the point of view of expense, I do not think it would mean very much to the insurance companies, but from the policy-holders' point of view, I think it would be a decided advantage. In any event, I cannot go beyond what I said in moving the second reading of the Bill, when I intimated that all competent authorities who had inquired into the question of industrial insurance had come to the conclusion that it was necessary to exercise control over that class of business. The method of control varies in different countries. Mr. Nicholson told us what obtained in Victoria. In Great Britain the position is slightly different, and according to the report of the Victorian Royal Commission the Irish Free State within recent times has passed a Bill dealing with the problem on still different lines. A point that was emphasised by the Victorian Royal Commission—I desire to emphasise it myself—was that if Parliament does not agree to a provision such as that embodied in the Bill regarding notices to be given to policy-holders, members should adopt the Commission's suggestion that not only the policies but the premium books should be endorsed very plainly with the conditions as to surrender or lapsing of policies. I see no reason why that should not be done.

Hon. G. Fraser: It is quite necessary.

The CHIEF SECRETARY: I do not think any hardship or much extra expense would be involved. For my part, I prefer the clause which provides that notice shall be given in every instance, whether it be an industrial policy or an ordinary life assurance policy. The notice should specify the number of days of grace after the lapse of which, if the amount payable was not forthcoming, the policy would lapse or be forfeited as the case might be. The other questions raised with regard to paid-up policies, surrender values and so on relate to details that I believe the insurance companies are prepared to accept. I shall leave the matter at that. I trust members will agree with me on the main point concerning the giving of notice to all policy-holders.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Amendment of Section 3 of the principal Act:

Hon. J. NICHOLSON: I move an amendment—

That the following definitions be added to paragraph (b):—"'Policy' means, in relation to this Act, an industrial life assurance policy. 'Policy holder' means, in relation to this Act, the person who, for the time being, is entitled to receive the sums payable under a policy on maturity."

The object of the amendment is to make the Bill coincide as closely as possible with the Victorian Act, which was the outcome of very careful investigation by competent men.

The CHIEF SECRETARY: A mistake will be made if the amendment is accepted in its entirety. The first definition sets out that a policy "means, in relation to this Act, an industrial life assurance policy."

Hon. J. Nicholson: That refers to the measure we are discussing.

The CHIEF SECRETARY: But the hon. member cannot include such a definition in the principal Act.

Hon. J. Nicholson: That is not what I meant. I will put that provision in the particular sections affected.

The CHAIRMAN: The amendment seems redundant. The Bill says what "industrial life assurance" means, and now Mr. Nicholson says that "policy" means "in relation to this Act, an industrial life assurance policy." That seems like painting the lily.

The CHIEF SECRETARY: Moreover, Mr. Nicholson's provision would not be correct, because the Act deals with all forms of life assurance, and the first part of the amendment, if included, would limit the Act to industrial assurance policies.

Hon. J. Nicholson: May I move to delete the first part?

The CHAIRMAN: No. I will take it that the hon. member has not moved the first part of the amendment.

Hon. H. S. W. PARKER: How will the second part of the amendment, which now becomes the complete amendment, affect ordinary life policies?

Hon. J. Nicholson: That part of the amendment can be made to refer to Section so-and-so.

Hon. H. S. W. PARKER: That is a dangerous sort of definition!

Hon. G. Fraser: I think so too.

Hon. J. J. Holmes: Better leave it out!

Amendment put and negatived.

Clause put and passed.

Clause 3—Industrial life assurance policies not to be voided immediately on account of non-payment of premiums:

Hon. H. V. PIESSE: I move an amendment—

That in proposed new Section 33B, the words "and due notice has thereupon been given as provided for by paragraph (a) of Subsection 1 of Section 58A of this Act and default has occurred as provided by paragraph (b) of the said subsection" wherever such words appear in paragraphs (a), (b) and (c) of the proposed new section, be struck out.

The Victorian Royal Commission considered the question of notices and the provisions dealing with forfeiture, and came to the conclusion that it was not necessary for notices to be sent out. I hope the Committee will agree to delete the reference to notices because the utmost importance attaches to securing uniformity of conditions throughout Australia. Most of the companies operate in the various States in association, and certain conditions are laid down. It would be a great pity if in Western Australia notices had to be issued and in other States such a provision were not enacted.

Hon. G. Fraser: We could set a good example.

Hon. H. V. PIESSE: That is so. Speaking today to a member of the Federal Senate, I was informed that had it not been for the outbreak of war, the Federal Bill would have been introduced, and that even now it was likely to be considered by the Federal Parliament this year.

The CHIEF SECRETARY: I do not propose to labour the question, but shall quote another extract from the report of the Victorian Royal Commission. Dealing with the practice relating to the forfeiture of policies, paid-up policies and the granting of surrender values, the commissioners reported—

In our opinion the right of a company to forfeit a policy is one that should be made the subject of statutory regulation, because we consider that this right may be exercised by some companies to the prejudice of policy-holders. We have already recommended that policy-holders upon whose policies premiums have been paid for at least three years should be granted paid-up policies, and if this recommendation be adopted, the serious consequences to the policy-holder resulting from the right to forfeit will be considerably diminished. The statutory method which should be adopted to regulate the right to forfeit has been the

subject of much controversy, particularly in respect of the question whether the company should be required to give a notice to the policy-holder before it exercises its right of forfeiture.

Then they go on to say—

The English Act of 1923 provides that before a policy of industrial assurance can be forfeited, a notice must be sent to the person assured giving him 28 days in which to pay the amount due, and this period of 28 days is in addition to the usual period allowed by the practice of most companies before a notice is served. The result under the English Act is that a policy may remain in force for some considerable time before it finally becomes forfeited. On the other hand the Insurance Act of 1936 passed by the Parliament of the Irish Free State provides that no person who has effected a policy of industrial assurance shall incur forfeiture of such policy by reason of a default in paying a premium in respect of such policy unless a premium payable in respect of such policy is unpaid for not less than 10 weeks after it becomes due. Under this Act a forfeiture notice is not required to be given by the company.

To be fair I must also quote the next paragraph.

Hon. J. Nicholson: That is the important one.

Hon. G. Fraser: It all depends.

The CHIEF SECRETARY: The paragraph reads—

It is at least questionable whether an obligation to give a notice before exercising a right of forfeiture should be imposed upon the companies. Such an obligation would undoubtedly cast a severe burden upon the companies without a corresponding advantage to policy holders, because in our opinion the policy-holders who are not aware of the conditions relating to the forfeiture of their policies are comparatively few. We consider that the provisions of the Insurance Act, passed by the Parliament of the Irish Free State, relating to forfeiture are preferable to those contained in the English Act of 1923 and constitute a reasonable and fair method of regulating the right of forfeiture now contained in the contracts of the companies.

The Commission then recommended certain conditions that did not include the giving of notice. After that, this paragraph appears—

If the recommendations already made be adopted that the conditions under which a policy-holder will forfeit his policy for non-payment of premiums should be endorsed on his policy and a premium receipt book, the policy-holder will, in our opinion, have little cause to complain that he has not been made fully aware of the risk of forfeiture that he will incur on account of the non-payment of premiums. We have already considered the practices relating to the issue of paid-up policies and the grant of surrender values and it is unnecessary to repeat here the results of our investigations relating to these practices.

In effect, therefore, the Commissioner stated that while in some countries it is considered necessary to send out notices of intention to forfeit, its opinion was that such a procedure was not necessary. If its recommendations were adopted, however, it declared that the companies should do something more than they had been doing, namely, endorse on their policies and premium books the conditions under which the policies would be forfeited, and that endorsement should be in such a form that no policy-holder could fail to understand just what it meant. If Mr. Piesse's amendment is accepted, we should introduce a further amendment to cover that particular point. In the event of that being agreed to I would raise no strong objection to the amendment.

Hon. E. H. H. Hall: That appears to me to be preferable to the amendment.

The CHIEF SECRETARY: It is really an alternative, or rather an addition to the amendment. I am assuming that this Chamber desires to be fair. Hundreds of thousands of policies are forfeited every year, and now that we have the opportunity we should try to ensure that the conditions under which policies are issued are understood by the people taking them out.

Hon. H. V. PIESSE: After taking evidence the Commission came to the conclusion that there were comparatively few policy-holders unaware of the forfeiture conditions. I agree with the Chief Secretary that our duty is to protect everyone taking out an industrial assurance policy, and I know there is no desire on the part of the companies to have these policies lapse or to take advantage of the people insured.

The Chief Secretary: Would you qualify that by saying every company?

Hon. H. V. PIESSE: Yes. If the Committee agrees to my amendment, I shall support the Chief Secretary's suggestion for the endorsement of the premium books. The books and policies are handled by the agents, and there is no need for the company to be responsible for the issuing of notices.

Hon. G. FRASER: I hope the House will accept the Bill as it stands. We must recognise that most of the industrial assur-

ance policies are taken out not by the menfolk but by the womenfolk, who as a general rule, enter into a contract without reading it and without understanding exactly what they are signing for. My experience is that few people know anything about insurance policies.

Member: That is all rot.

Hon. G. FRASER: It is not rot at all. I have had dealings with hundreds of people who have taken out insurance policies, and they do not know the first thing about them.

Hon. E. H. H. Hall: That is in the West Province.

Hon. G. FRASER: I do not know that the people in the hon. member's Province are any more aware of the position.

Hon. J. Nicholson: Who does not know anything about insurance policies?

Hon. G. FRASER: The people taking them out.

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

Hon. G. FRASER: The hon. member may have an intelligent crowd of people in his electorate.

The CHAIRMAN: I hope no hon. member resides in Mr. Fraser's Province!

Hon. H. S. W. Parker: The two Ministers do.

Hon. G. FRASER: I am speaking about the general public, who know nothing about industrial assurance policies. All they know is that they have taken out a policy for which they pay so much per week. They know that at the end of a term of years they are entitled to draw a certain sum, but they know nothing about the general conditions.

Hon. H. S. W. Parker: Of course they do.

Hon. E. H. H. Hall: Do you suggest they do not know that in the event of their failing to pay they will not get anything?

Hon. G. FRASER: Yes.

Hon. E. H. H. Hall: No wonder you are representing the West Province.

Hon. G. FRASER: Here is a quotation from the report of the departmental committee appointed in 1919 by the British Board of Trade to inquire into the business carried on by the industrial insurance companies and collecting societies and known as the Parmoor report, after the name of its chairman, Lord Parmoor—

> On the one side was the company and its agent, fully informed, looking for profit and eager to issue the policy; on the other side was the prospective assured, ignorant as a rule of business and unable to realise the need to scrutinise the contracts pressed upon him (or more often her).

Hon. E. H. H. Hall: That was in England.

Hon. G. FRASER: What is typical of England is typical of any English-speaking country. The report continues—

> Associated with this inequality between the parties is another feature of the business which justifies criticism and that is the high pressure salesmanship adopted by the agents of the companies. Industrial assurance is in fact sold, and the agent and the canvasser are employed to sell it, and there appears to be some justification for the complaint that the methods of the agent and of the canvasser are in fact the cause of many people taking up policies they do not want.

I am endeavouring to indicate to members that the average person dealing with industrial assurance does not understand the conditions. To stipulate those conditions in a premium book does not appear to me as effective a method as the sending out of notices.

Hon. H. S. W. Parker: Would they understand notices?

Hon. G. FRASER: Of course, when their attention is drawn to the matter.

Hon. H. V. Piesse: The notices would be put in the waste-paper basket.

Hon. G. FRASER: The average person has not the faintest idea how long policies will continue after their failure to pay. From the company's point of view it appears to me that the best method of notifying policy-holders of their obligations is by letter, thus drawing their attention to the matter. By that method the companies would retain a great deal of the business they are probably losing to-day. The Bill as printed will be more effective than if it is amended, and offer greater protection to the people as well as more benefit to the companies.

The CHAIRMAN: This discussion is getting us nowhere. I suggest that consideration of Clause 3 be postponed, and Clause 4 (that which really matters), be now dealt with.

The CHIEF SECRETARY: I assume that the discussion on Clause 3 would apply to Clauses 4 and 5, and that the present debate will determine the position.

The CHAIRMAN: Members should discuss that which is relevant. If members would debate Clause 4 we would have something definite to go on.

Hon. H. V. Piesse: If my amendment is passed, Clause 4 will be struck out.

Hon. J. NICHOLSON: Mr. Piesse wishes to delete certain words from the clause. It is all a question of notice, and with that Mr. Fraser has dealt fully.

Hon. G. W. Miles: The Chief Secretary agreed to pass the amendmeent. Why flog the clause?

Hon. J. NICHOLSON: Mr. Fraser in urging the Committee to refrain from amending the clause has attributed to the average individual in the State a condition of ignorance that is lamentable.

Hon. G. Fraser: Only on this matter.

Hon. J. NICHOLSON: He has urged that the average assured person in the West Province is not possessed of sufficient knowledge to understand this question. What education has done for the people in that Province I do not know. The Royal Commission in Victoria recommended precisely that which is found in the Victorian Act, with the omission of the reference to notice. We shall be able to follow the Commission's recommendations by striking out the words in question.

Hon. J. J. Holmes: You are not giving us any chance to strike them out.

Hon. G. FRASER: In reply to Mr. Nicholson I would draw attention to the number of forfeitures in industrial insurance to show whether the public generally understands the conditions.

Amendment put and passed.

Hon. H. V. PIESSE: I move an amendment—

That the words "and fifty-eight A" in line 3 of proposed new Section 33G be struck out.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That in paragraph (a) of proposed new Section 33G after the words "apply to" the words "industrial life assurance" be inserted.

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

Clause 4—Insertion of new Section 58A:

Hon. H. V. PIESSE: This clause should be struck out. Companies take the full risk under the policy without the payment of premiums.

Clause put and negatived.

Clause 5—Negatived.

Clause 6—Insertion of new Section 60A:

Hon. J. NICHOLSON: This does not appear in the Victorian Act. It would entail extra work and tend to raise the rates of insurance companies on account of the extra cost involved in connection with guarantors. I hope the Committee will vote against the clause.

The CHIEF SECRETARY: I have already pointed out that practices vary in different companies. Some are satisfactory in respect to the way in which they deal with guarantors. There is sufficient evidence in the report of the Victorian Royal Commission, however, to indicate that the method adopted by other companies in this matter is very far from complimentary. I have tried to restrain myself in dealing with one or two aspects, although I feel strongly with regard to them. It has not been unusual for a guarantor to be called upon to pay the indebtedness of an agent to the company before the company has endeavoured, in any shape or form, to obtain from the agent the amount of money for which he is responsible. That is an indication of the need for this clause. According to the report of the Royal Commission, the guarantor has no knowledge of the extent to which he may be called upon to refund to the company moneys for which the company claims he is indebted to it, more particularly when it is a question of moneys owing to the company by the agent for lapsed policies, rather an intricate and involved matter where lodge members are concerned. If hon. members knew as much about the matter as I know about it, they would agree with my view. On page 17 of the Royal Commission's report appears the following:—

Guarantee bonds (and agency agreements).—The agent is usually required to provide some form of security for the due performance of his agreement with the company. Where this security takes the form of a guarantee agreement, the guarantor becomes liable to pay to the company all moneys which the company is entitled to charge the agent in respect of his agency—in other words the general indebtedness of the agent to the company.

As the agent is required to refund to the company commissions received by him in respect of policies which lapse within a certain time, his guarantor becomes liable for the amount of such commissions. This obligation is contained either in the guarantee agreement or the agency agreement. This is not always understood by the guarantor, who, in some instances, has been called upon to

make payments to the company in respect of a liability of which he was unaware.

While some of the companies do not avail themselves of their rights against the guarantors in respect of commissions repayable on account of lapsed policies, and while these rights may be useful as a protection against fraud on the part of agents, we consider that under a guarantee agreement the guarantor should not be required to pay to the company the amount of the commissions repayable by the agent on account of lapsed policies.

The agent is also required to set up a reserve fund by refunding to the company a certain portion of his earnings, week by week, until a certain sum has been accumulated. This sum is held by the company as a guarantee of the agent's fidelity and of the stability of his "Renewal Debit" during the continuance of the agreement and for 13 weeks after its termination. The company credits the fund with interest, and at the end of such period of 13 weeks the balance at the credit of the fund, less deductions on account of shortages, defalcations, or commissions due to the company on account of lapsed policies, is repaid to the agent.

Some of the smaller companies deduct the sum of either 3d. or 6d. per week from the agent's earnings as "guarantee premium." The agent has no claim for the return of the amounts so deducted either during the continuance or after the termination of the agreement. The companies making this deduction did not justify the practice. These payments, although small in amount, are a cause of irritation to the agents of these companies and this practice should be discontinued.

Then another point is dealt with in the report with regard to legal proceedings, as follows:—

Most of the companies in their agency or guarantee agreements provide in effect that the production in any legal proceedings of a certificate signed by some specified officer of the company certifying to the liability of the agent or guarantor and to the amount thereof shall be conclusive evidence of such liability and amount.

The Royal Commission is of opinion that that is not as it should be, and suggests an alternative. The Bill does not say that there should not be a guarantee, but says simply that the type of guarantee insisted upon, particularly by some of the companies, should not be permitted. The clause provides that the method to be adopted shall be by means of a fidelity guarantee bond. I should have thought that a life assurance company doing business with a fidelity guarantee company would be quite prepared to assist its sister company, but apparently that is not so. It is the abuse of these things which leads to the need for a clause of this kind. Again I point out that these abuses do not apply to all companies. There may not be many such cases in Western Australia, though I could quote one or two. We should protect the guarantor from the practice which has been adopted. Therefore I hope the amendment will not be carried.

Hon. H. V. PIESSE: The concluding lines quoted by the Chief Secretary in his last but one quotation from the Royal Commission's report were—

These payments, although small in amount, are a source of irritation to the agents of these companies and this practice should be discontinued.

The Royal Commission thus recommends the discontinuance of the very practice to which this clause now asks us to agree. Not a large amount of money is at stake in connection with these guarantees, and sometimes the guarantee means the chance of a man who cannot afford to obtain a guarantee bond getting a position.

Hon. E. H. H. Hall: What would be the average amount of the guarantee?

Hon. H. V. PIESSE: I cannot give that information.

Hon. H. SEDDON: I am not happy about the proposal to delete the clause, concerning which I have conferred with representatives of the companies and also with some agents. While I do not like the clause as it stands, I fail to see that there is necessity for its protection so far as guarantors are concerned. In certain instances there would be injustice inflicted. If the practice followed by reputable companies were adopted in the Bill, the difficulty would be got over; that is, that the agent is allowed to contribute towards a trust fund against defalcations, but that at the expiration of his engagement he has the right to a refund of the money he has contributed to the fund. The main objection to the clause is that every agent must contribute to the fund. To delete the clause entirely would not achieve the objective.

The CHIEF SECRETARY: I suggest that in view of the hon. member's remarks we get through the remaining clauses of the Bill and leave this particular clause for recommittal tomorrow. In the meantime I

would have another clause drafted to deal with the subject.

Clause put and passed.

Clauses 7 to 9, Tenth Schedule, Clause 10, Title—agreed to.

Bill reported with amendments.

BILL—INSPECTION OF MACHINERY ACT AMENDMENT.

Second Reading.

Debate resumed from the 26th September.

HON. A. THOMSON (South-East) [9.15]: I consider this Bill to be of a highly technical character; so much so that it is exceedingly difficult for a layman like myself to arrive at a decision upon the best way to deal with it. A suggestion was made by one hon. member that the Bill should be referred to a select committee. I approve of the suggestion, because the average member—I am speaking for myself—experiences difficulty in construing the clauses and estimating what their effect will be. As a matter of fact, I was interviewed by two gentlemen within the precincts of the Chamber who clearly demonstrated that, from their point of view, certain clauses of the Bill were absolutely necessary. A few minutes afterwards I met another gentleman who also, with equal clearness, demonstrated to me that the Bill was unnecessary. On the one hand, two men claiming to be engineers expressed one opinion, while a third—a certificated enginedriver—expressed a different opinion. A doubt exists in my mind as to the extent of the ramifications of the measure, if it is passed. The general impression in the country seems to be that the Bill, if passed, will impose hardship on owners of refrigerating machinery. Of course, household refrigerators are excepted. These people are of the opinion that their refrigerating machinery will come under the control of the Machinery Department and be subject to inspection. Others having machinery in which ammonia is used are afraid that they will have to obtain the services of a certificated driver. I feel I cannot support the measure in its entirety. If the Bill were referred to a select committee the result would be helpful and useful to the House. I do not know whether we have qualified engineers or enginedrivers in the House who could express their views on the measure; but I was informed in my home town that the passing of the measure would result in the encouraging of conditions which would make the running of the electric lighting plant more costly. The Bill certainly requires careful examination and study. I take second place to no one in the desire to safeguard the public and the lives of workers handling machinery, but I also feel that we should take steps to ensure that we do not impose unnecessary restrictions and inspections. In introducing the measure, the Minister did not give members any particular reason for bringing it forward. I support the second reading in the hope that the member who suggested the Bill should be referred to a select committee will move for its appointment.

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

BILL—CONTRACEPTIVES.

Second Reading.

Order of the Day read for the resumption from the 26th September of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Second Reading.

Order of the Day read for the resumption from the 21st September of the debate on the second reading.

Question put and passed.

Bill read a second time.

House adjourned at 9.25 p.m.