sue to recover any balance of wages due up to a period of two years. I know that employees have signed for money they have not received, but they have afterwards gone to the court and sued for the balance. Though the position here is bad, I do not think any benefit would accrue to the migrants from shipping them back to the Old Country, unless we were assured that better conditions awaited them there. I sympathise with migrants in their distress, but I believe this country will be in a position to absorb them before the Old Country could do so. There are still upwards of 2,000,000 unemployed in Great Britain. What guarantee is there that the migrants would be better off in the Old Country? In face of the testimony of the man who returned so recently, and who said that bad as was the position in Australia, it was better than that in England, I cannot support the motion. I am doing my best to assist those who are unfortunately placed as I believe other members are doing.

On motion by Mr. North, debate adjourned.

House adjourned at 9.36 p.m.

Legislative Council,

Tuesday, 23rd June, 1931.

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

QUESTION — WOOROLOO SANATORIUM, HOT WATER SERVICE.

Hon. E. H. HARRIS asked the Minister for Country Water Supplies: 1, With regard to the discontinuance of steam boilers in the interests of economy, and the installation of crude oil engines and burners for the hot water service at the Wooroloo Sanatorium in January, 1930, what was the annual cost of the steam service? 2, What has been the annual cost of the crude oil service? 3, What was the total cost of the installation of the crude oil engines and business? 4, When the Government Electrical Engineer recommended the change over, what was his estimate for—(a) the cost to effect the change; (b) the economy to be effected? 5, Is it correct that the Department are again reverting to the use of steam; if so, why?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, The installation of crude oil engines and of oil burners at the Wooroloo Sanatorium were quite separate and distinct actions. The former were placed in commission in December, 1929, and the latter in October, 1930. The cost of the steam service prior to either of these changes was £2,386 per annum. 2, After the installation of two crude oil engines in December, 1929, the boilers, fed with wood fuel, were retained for hot water and low pressure steam. The cost was then at the rate of £1,174 per annum, showing a saving of £1,218 per annum. 3, The cost of installing the crude oil engines was £2,052. 4, Subsequently, in April, 1930, it was recommended that the boilers supplying hot water and low pressure steam could be more economically fired by crude oil burners. The estimated cost of effecting the change was £520, and the estimated economy to be effected was £499 per annum. 5, In practice the crude oil burners have proved unsatisfactory, the estimated economy has not materialised, and recently wood fuel has been reverted to.

LEAVE OF ABSENCE.

On motion by Hon. G. W. Miles, leave of absence for six consecutive sittings granted to Hon. J. J. Holmes (North) on the ground of urgent private business.

MOTION—STOCK REGULATIONS, KIMBERLEY CATTLE.

To inquire by Royal Commission.

Debate resumed from the 18th June, on the following motion by Hon. G. W. Miles (North):—

That an honorary Royal Commission be appointed to investigate the administration and application of the regulations under the Stock Diseases Act, 1895, as gazetted on the 11th October, 1929, particularly as they relate to the restriction of the movement of cattle from the Kimberley district.

HON. F. W. ALLSOP (North-East) [4.36]: I support the motion. I have not had much experience in connection with pleuro-pneumonia in cattle in this State, but when I was a young man I learned to know of the ravages of rinderpest in the Transvaal. A month before I arrived in the Spitzkop district in which I was located, the disease had swept away practically every head of cattle. Horses had been affected with a type of lung disease such as I had not heard of in Australia. It was quite common to ask, if buying a riding hack, if it had been salted. By that term it was implied that the animal had suffered from the lung complaint and had recovered. If the animal had not been salted, it was a different thing altogether. If salted, a horse might be worth £40; if not salted, it would not be worth £5. The pleuro-pneumonia that has been reported in the herds of the North-West of this State cannot be compared in any way with the ravages of rinderpest in South Africa. It would be splendid if we could get cattle down along the Canning stock route, for it would be the means of providing cheaper meat for the people in the Eastern Goldfields districts, where they have to pay 30 per cent. more for beef in Kalgoorlie than do the people in Perth. One of our objectives should be to bring down the cost of living and thus reduce the cost of production, and this is one means by which we may achieve something along those lines. At the same time, I think Mr. Miles should delete the word "honorary" from his motion, because I consider that when dealing with anything like lung diseases in our cattle, we should secure the best expert procurable to undertake the task. A committee of laymen would avail but little ,and I am sure that we should have expert advice. I was discussing this problem with a prominent stock owner, and I asked him what would be the best way of getting cattle down from the North-West so as to obviate any possibility of pleuro-pneumonia being spread among the herds in the South-West and other clean parts of the State. He told me that the best way would be to inoculate the cattle before they were sent down. A large number of cattle are brought to Kalgoorlie from the coast, many passing through Kurrawang, where they are turned out to graze. Many also come from Norseman, and are sent out to the abattoirs. So far, we have not had any difficulty in connection with those cattle because they have been clean. I understand that many head of cattle used to come from the North-West, and at present large numbers are brought across by the Trans. line. One hon. member, who discussed this motion in the House, said that he understood a fair proportion of the cattle brought from the Eastern States were sent from the Kimberley areas down through South Australia and then railed across the Trans. line to Kalgoorlie. Thus we are buying our North-West cattle after they have undergone many miles of unnecessary travelling. There may or may not be a good deal of truth in that assertion, but the fact remains that in Kalgoorlie we have many difficulties to contend with. For instance, if we take one bogey truck containing 15 head of cattle from Fremantle to Kurrawang, the charge is £22 10s., equal to 30s. per head. If one truck only is taken from Kurrawang to the Kalgoorlie abattoirs, the charge is £5, which is equal to 6s. 6d. per head for traversing a distance of eight miles. If five bogies are taken from Kurrawang to the abattoirs at Kalgoorlie, the cost works out at 2s. 9d. per head for the same distance of eight miles. The freight from Port Augusta to Parkeston over the Commonwealth railway, for bogies containing 20 cattle amounts to £33. The cost from Parkeston to Kalgoorlie abattoirs, if one bogey only is used is £25, which works out at 25s. per head, but if the five bogies are loaded. the freight amounts to £25, which works out at 7s. per head for a distance of 20 miles. It will be noted that the minimum charge from Parkeston to Kalgoorlie abattoirs is £25 for one truck or five trucks, and that one truck from Kurrawang to the abattoirs costs £5; two trucks, £5; three trucks, £6; four trucks, £7; and five trucks, £8. Therefore the lowest freight by loading the maximum

number would be: Fremantle to Kalgoorlie abattoirs, approximately 390 miles, freight 32s. 2d. per head; Port Augusta to Parkeston, freight 33s. per head, Parkeston to Kalgoorlie abattoirs, 7s. per head, or a total of 40s. per head for an approximate mileage of 1,070. Thus for 390 miles the freight is 32s. 2d. per head and for 1,070 miles the freight is 40s. per head. I have also been informed that the mortality among cattle from Fremantle to the Kalgoorlie abattoirs is far greater than it is in the case of cattle sent across from South Australia by the Trans-Australian railway. That journey of 1,070 miles takes, I understand, about five hours longer to the abattoirs than it takes to send cattle from Fremantle, and yet the mortality is much less. I made inquiries with a view to ascertaining why that was so, and I was told that there were many stoppages during the journey from Fremantle and because of that, the mortality among the cattle herded in close trucks was so much greater. The stoppage played a large part in that result as against the experience on the Trans. line, when the trucks were practically constantly on the move. That is a position that should be rectified so that the cattle brought from Fremantle in so much less time will mean a correspondingly decreased mortality. Then again, if one or two cattle fall down before the trucks get to Midland Junction, the full freight is charged in respect of those animals, which may be dead, and their carcases removed from the truck at Midland Junction. The transfer of stock by railway from Fremantle to Kalgoorlie is not satisfactory. At Kalgoorlie we have a first-class stock inspector and a first-class meat inspector, and I am sure that if anything were lacking in the supervision of the cattle in the Kimberley districts, the Kalgoorlie inspectors would quickly detect any sign of disease. If we were able to get cattle from the Kimberleys, we should be doing the Kimberley district much good and there would be cheaper meat for the goldfields people. With expert advice, it would be possible to prevent the disease spreading to the South-West and no harm would be done to that part of the country. If I thought any harm would result from bringing down Kimberley cattle, I would be the last to advocate their being travelled over the Canning stock route.

HON. G. W. MILES (North—in reply) [4.46]: In view of the expressed wishes of several members, I ask permission to delete from the motion the words "an honorary" and to insert "a."

Motion, by leave, altered.

Hon. G. W. MILES: I thank members for having approved of the alteration. If the motion be carried, as I believe it will be, the Government will decide whether it shall be an honorary Commission or a paid Commission. Perhaps it would be best, as has been suggested, to have an expert appointed as chairman. The Leader of the House asked me on Thursday to postpone the closing of the debate until to-day, when more members would be present. With the exception of Sir Edward Wittenoom the Minister has not received any support in opposing the motion. But I was wondering whether he knew that a leading article on the subject would appear in the "West Australian" on Friday, and a letter from the President of the Royal Agricultural Society in the "Western Mail," both supporting the departmental view.

The Minister for Country Water Supplies: I had not the slightest idea of it.

Hon. G. W. MILES: I am glad the Minister did not know, but I could not help wondering whether he had some knowledge that those articles would appear. I should like to ask also whether it is a coincidence that the Press did not publish the replies to the questions which I asked on Wednesday last. I am grateful to the Minister for the replies he furnished. I have a letter from him pointing out that the replies were wrongly printed in the minutes of the proceedings, No. 65. The letter states—

> On perusing the Minutes of Proceedings, No. 65, I find that two mistakes have occurred in the printing of the Ministerial reply to your questions relating to the cattle condemned by the Health Department at Fremantle and Wyndham. The correct replies were given by me and they were—
>
> 1. (a) Carcases condemned, 13; organs, 55.
>   (b) Carcases condemned, 25.
> 2. Robb's Jetty .011 per cent.
>   Wyndham .085 per cent.
>
> If you will compare the above with the replies in the Minute paper, you will see that two mistakes have been made.

Had the Press published those replies to my questions, the two articles, as well as the contentions of the departmental offi-

cers, would have been discounted 50 per cent. The replies set forth that the cattle condemned by officers of the Health Department on account of pleuro-pneumonia at Robb's Jetty during 1930 totalled 13 and at Wyndham during the 1930 killing season 25, the respective percentages being .011 and .085. That is a complete reply to the ridiculous statement submitted to the House by the Minister. It was one of the most damaging statements ever put up by a department regarding the Kimberleys, which comprise a territory as big as Victoria. The Minister said there were 11 stations on which the cattle were affected, but he did not mention there were over 20 clean stations. In the course of his speech the Minister said—

> After inquiry at the Department of Agriculture I am satisfied that he (Mr. Miles) has been grossly misled regarding the attitude of the department in connection with the administration of the Stock Diseases Act as applied to the control of pleuro-pneumonia, and I am convinced, if the action now being taken is not continued and perhaps more rigidly exercised, the State may be faced, not with the problem of confining the ravages of pleuro-pneumonia to the cattle stations in the North, but with a wildfire spread of the dread disease to the length and breadth of the State. To date the officers of the department have done remarkably well in restricting the spread of the disease, and I am surprised that the leniency that is being shown to the northern growers in the disposal of their cattle in the southern markets has not resulted in serious devastating consequences to the herds in the southern districts of the State.

The Minister's answers to my questions constitute a complete reply to that portion of his speech. I regret that my colleague, Sir Edward Wittenoom, supported the Minister in his attitude. The pastoralists of the North have tried all means to get justice.

Hon. Sir Edward Wittenoom: I did not oppose the motion. All I said was that the Minister had made out a very good case.

Hon. G. W. MILES: I hope that when I have finished I shall have convinced the hon. member that I am on the right track and that he will support the motion. If I do not succeed in convincing the hon. member, I hope he will agree to pair with Mr. Holmes, a representative of North Province, who is absent.

Hon. Sir Edward Wittenoom: Anyhow, the Minister made out a very good case.

Hon. G. W. MILES: I shall show the House whether it was a good or a bad case. The Minister proceeded to say—

> A trained veterinarian or skilled stock inspector can determine an animal affected with the latter form of the disease (chronic pleuro-pneumonia)

He can determine it only when the animal is dead. No veterinarian can determine when an animal is alive whether it has pleuro. I made that statement and it was ridiculed, but a man bred amongst stock can tell better than a trained veterinarian whether an animal has pleuro. The Minister stated—

> Unfortunately the animal is a serious source of danger, as the capsule may become ruptured at any time, particularly under stress, in which case the disease lights up, and the animal is then a menace to other animals with which it may come in contract, and is, in fact, a dangerous spreader of the disease.

That is a most alarming statement. I do not blame the Minister entirely for it. I do not know by whom the reply was put up, but it is a most alarming and damaging statement to come from a Minister. His own answers to my questions effectively controvert that statement. The Minister said—

> If, as stated by Mr. Holmes in a speech on another subject, there has been pleuro in the West Kimberleys for the last 30 years, then veterinarians are not aware of its existence. To me, even though I am content with the views of the experts, the wisdom of that damaging statement by the hon. member is not apparent.

I take exception to those remarks by the Minister. Mr. Holmes's statement was not damaging. The supposed pleuro has been in existence for the past 30 years. I complain of the panic administration of the regulations adopted by the Department of Agriculture. The Minister went on to say—

> Some doubt has been raised as to whether the disease is pleuro-pneumonia. It is regrettable that such a canard should be spread in connection with the trouble and a false sense of security created.

It is still questionable whether the disease in the Kimberleys is really pleuro-pneumonia. The Minister's answers to my questions justify the appointment of a Royal Commission to decide the point. The Minister also said—

> That considerate attitude should be evidence that the responsible Minister is not desirous of unduly hampering the shifting of Kimberley cattle. It is not true to say that live cattle

can only be transported to and slaughtered at three places.

The department are hampering the movement of cattle as much as possible. It is correct that live cattle can only be transported to and slaughtered at three places. The places where they can be slaughtered are Robb's Jetty, Midland Junction and Kalgoorlie. It is all very well for the Minister to say that a person may get permission to have the cattle slaughtered in quarantine, but what country butcher can afford to have a siding put into his slaughter yard from the railway line? I understand that the cattle are put into sealed trucks at Robb's Jetty and have to go to the abattoirs at Kalgoorlie or Midland Junction. The Minister went on to say—

Reasonable quarantine restrictions are maintained at the three places referred to and, if they are applied at other slaughter houses, authority to kill at those houses will be given by the responsible Minister.

What I have said is sufficient reply to that statement. The cattle have to be killed at one of the three centres mentioned. The Minister said—

Though it is regretted that the cattle cannot now be overlanded, it cannot be said that they would have a seriously detrimental effect upon the summer supply of beef for the metropolitan market.

The Minister went on to say that the cattle overlanded and shipped as stores represented only four weeks' supply for the market. This means that about 20 per cent. of the supply has come from the North in the past. The number brought down by ship totalled about 1,700, while more than 3,000 were brought overland. It has been stated that the cattle purchased by graziers in 1930, after being held for six months, had still to be sold at Midland under strict quarantine conditions, while no such restrictions were imposed upon cattle brought from the Eastern States. Anyhow, the shortage in the number would total about 100 head per week. This is equal to about 20 per cent. shortage, and any business man knows that, with a 20 per cent. shortage, the market can be manipulated and the public made to pay 50 per cent. more for the commodity. Another point I want to refer to is this. The Minister said—

Whereas formerly the stations were clean and there was no risk in overlanding cattle southward, at present no one is able to say that any station is clean, owing to the intermingling of cattle between affected and non-affected stations.

I want to make a comparison of the position as it affects the Kimberleys and this area. Anyone would think that the officers were talking of areas of 5,000 or 10,000 acres with no fences. If a cattle station were owned by, say, Mr. Smith of York, and his country extended to Merredin on the one side and Mundaring on the other, and another were owned by Mr. Jones extending from the coast to Mundaring, because there might have been one case of supposed pleuro discovered near Merredin, and because one of the brand of the York cattle wandered to Mundaring, the whole of the area from Mundaring to the coast would be declared infected, notwithstanding that the beast had not been killed to see whether it had pleuro or not, simply because of the brand it had. The views of the department are not only absurd but misleading as well. The Minister went on to say—

In agreeing with the view expressed by Mr. Miles——

It is a surprise to me to know that the department have agreed to any of the views that I have expressed.

—that cattle from stations known to be free from cattle disease should be allowed to be sold to country butchers, the officers concerned state that cattle known to be free from the disease can be sold to country butchers.

That point is misleading, because cattle can only be sold to butchers at the present time under the restrictions imposed by the department to-day. The Minister went on—

The department's officers have always been anxious to do everything possible to meet the position.

They have always been anxious! They have acted more like school children by keeping the door closed and saying they would not allow any cattle through. He went on to say that the officers declared that no restrictions would be placed on Kimberley cattle if suitable guarantees could be obtained from the purchasers of the stock that it would be kept in satisfactory quarantine until killed. In reply to an interjection the Minister said that the cattle would not be permitted to go into paddocks to be grazed, but they would have to go into the slaughter yards. But the conditions are so stringent that no one can take advantage of

them. The place of the veterinarians is in the Kimberleys and not in Perth. It is in the Kimberleys that the Minister is trying to make out that the disease is rampant, and not in the metropolitan area. The Minister went on to say—

> Mr. Miles expresses the opinion that if country butchers and graziers, who buy cattle for fattening, are eliminated, there will be left few buyers who can fix their own prices, and he maintained that that has been the position this winter. Instead of a few buyers, there are some 20 buyers for Kimberley cattle, and prices have not been fixed by arrangement between them; but it is admitted that the prices this year, as in all other industries, are lower than those of last year. In some cases there has been a 54 per cent. decline in prices. That decline applies equally to the relative prices obtained this year and last year for unrestricted cattle south of the Kimberleys and restricted cattle from the Kimberleys, thus indicating that the cause of the lower prices is not the necessary restrictions which have been imposed, but a general decline in the purchasing power of the public, in keeping with the collapse of prices of all products, and because of the over-supply of mutton and beef.

The lack of competition has resulted in values receding to 15s. per 100 lbs. below the prices of Melbourne. We have never been below Melbourne prices. That is a direct challenge to the department. Not only has there been a decline of 50 per cent., but our prices have been 15s. per 100 lbs. lower owing to the restrictions placed on buying stock here by graziers and country butchers, and that has never been known in the history of the market before. The Minister told us also that we drew live cattle and beef from the Eastern States to meet the summer shortage. We did that last year and we will have to do it this year if the department insists on refusing to allow us to bring clean cattle down. The Creator this year is giving us a bountiful season; it is one of the best seasons we have ever had and all the stock routes are opened up. Thus, if the regulations were administered in the proper way, there would be perhaps 20 or 30 drafts of stock on the road being sent down for fattening purposes, ultimately to go on this market. It is ridiculous for the department to say that these restrictions do not affect the price of meat. I challenge that statement, and it is another reason why I want the Royal Commission to investigate this question. The commission would find out whether the regulations were being properly administered or not. With regard to returns, I have had some figures prepared which will interest hon. members. They relate to the sale of cattle in 1930 and 1931. They were all in good forward condition, but having come in contact with Copley's draft, had to be slaughtered at Fremantle, with the result that I will give. This is another point that the commission can inquire into—freight on cattle and the cost of getting the animals down to the southern market, wharfage charges and all other costs; everything needs to be inquired into. How can we expect to get the cost of living down if we maintain such exorbitant charges? A statement I have relating to the sale of 393 cattle shows that the gross proceeds were £1,462, and the charges £2,361, the loss resulting being £899. The average net loss per head was £2 5s. 9d. This is the outcome of restrictions imposed by the departmental officers. In the case of another consignment this year, the cattle were fat and came from clean country. The gross proceeds amounted to £1,205, and the proportionate charges totalled £1,054. The cattle netted 16s. 3d. per head. That was the case quoted by Mr. Holmes. I have another table which is interesting—625 bullocks were offered and the market was very dull. The best beef realised only 3d., good 2½d., and fair 2d. The cattle that came from Christmas Creek averaged £6 16s. 6d., from Cherabun, £7 2s., and Margaret Downs £10 2s. 6d. Those were all from clean country. The Jubilee company's cattle averaged £8 12s. 8d. and those from Yeeda £6 8s. 2d. It cannot be said that the depression is responsible for this decline. The restrictions are to blame.

The Minister for Country Water Supplies: How do the restrictions affect prices?

Hon. G. W. MILES: They prevent the purchasing of cattle by graziers and country butchers.

The Minister for Country Water Supplies: Were the cattle you referred to clean?

Hon. G. W. MILES: They were clean cattle in spite of the statement of the department that 11 stations were infected with pleuro. It is most appalling to read the statements made by the officers of the department in view of the facts that I have quoted. I have given the House the figures relating to the sale in May of this year. Let me now quote the result of the sales of similar cattle from the same holdings in May of last year. These are the figures: Christmas Creek, £19 10s. 8d.; Cherabun,

£20 11s. 11d.; Margaret Downs, £19 18s. 11d.; and Jubilee, £18 9s. All those cattle were clean. The cattle from Yeeda fetched £10 15s. There can be no argument at all as to why a Royal Commission should not be appointed to investigate the whole position.

Hon. H. J. Yelland: And the commission would be of assistance to the department.

Hon. G. W. MILES: Yes, and the growers. The figures I have quoted show clearly that there are very few pleuro-infected cattle in the country at all.

Hon. Sir Edward Wittenoom: That shows what good inspectors we have.

Hon. G. W. MILES: But the inspectors are down here. If the hon. member wants to boost the inspectors, I will let him know something about the opinion in which they are held by stock owners. I do not know whether this is correct, but with regard to the braxy-like disease, I understand the officers of the department have had animals at the rear of the department's offices trying there to develop the disease. Fancy carrying on investigations down here instead of getting out into the country where the disease exists to do the work! Another case I know of and which came under my notice recently is that of a man at Dale River who bought a number of weaners from Narrogin, put them on his farm and lost 100 of them. He communicated with the department and it was two days before he could secure the services of an inspector. The officer told him afterwards that the cause of death was that the weaners were put on wheat stubble and stinkwort. The place of these officers is in the country and not in the city.

Hon. J. Nicholson: At Beverley there is a laboratory in which the braxy-like disease is being investigated.

Hon. G. W. MILES: I understand that is so, but the hon. member will find that the department's officers are located in Perth, and in the Dale River instance it was two days before their services could be secured. I know of another instance in the South-West where a man on one of the group settlements was told by a departmental expert that the way he was planting potatoes was not the right way. The settler said to the official, "You plant some here, and I will plant mine further along in my own way, and we can see the result." The result was that the settler beat the expert by over two tons to the acre. I have already quoted the case about a station being declared infected because a beast happened to go on to the run. The Minister went on to say—

> In reply to that criticism, the departmental officers point out that at the present time stud cattle only are allowed in from the Eastern States, and they must be accompanied by a certificate that they are from areas known to have been free from pleuro for 12 months.

If we allow cattle in from the Eastern States on those conditions, why cannot the Kimberley cattle enjoy the same privilege?

The Minister for Country Water Supplies: Those cattle have certificates.

Hon. G. W. MILES: Yes, and they are put into quarantine. But first they are landed at Bunbury and allowed to walk through the streets of the town, and right through all the dairy districts out to the quarantine station. Yet the department has the audacity to say the beast found at Maida Vale had come into contact with Kimberley cattle. As a matter of fact, half those cattle came from Corrigin, and the other half from Dardanup, and they are just as likely to come into contact with a stud beast brought from the Eastern States, and so get the infection carried into the dairy districts.

Hon. Sir Edward Wittenoom: Does it not prove that we ought not to import any cattle at all?

Hon. G. W. MILES: No, it doesn't. The Minister went on to say—

> The work of eradication in Victoria involved an expenditure of £180,000, which was collected as the result of a levy on all cattle sold in that State.

If it is possible in Victoria, why not here? The owners of the cattle found the money in Victoria, and I ask that the commission be directed to investigate that question. That is how they got their £180,000, and that is a question the Royal Commission could well inquire into. The people of the North have never gone to the Government wanting subsidies; but have pioneered that country, and they are prepared to put up their cash, what little is left of it, or at all events their credit. That is a question I hope the Government will take into consideration and ask the commission to investigate, namely, the Victorian cattle compensation fund of 1d. in the pound sterling on the sale of all cattle with a view to having it brought into force here. If that system were adopted, there would be a few thousand pounds in the fund in

the first year. Then if an outbreak took place anywhere in the State, particularly in the South-West where the herds consist of only 50 or 60 head, even if the whole lot had to be destroyed there would be a compensation fund. We have a similar measure now for the sale of pigs, and it is the same with the vermin tax.

The Minister for Country Water Supplies: And the Workers' Compensation Act.

Hon. G. W. MILES: That is creating another huge Government department. I am not dealing with that now.

Hon. C. B. Williams: Would not this create another Government department?

Hon. G. W. MILES: No, I do not think so. It would be administered the same as they are handling the vermin tax. Now here is another point: It is a habit with the Minister, I do not say it is intentional, but every time anything is put up to the House, if he disagrees with it he tries to ridicule the member putting it up. I do not know whether this is his own putting up or that of his secretary or of the Agricultural Department, but I resent it. This is what he says—

> With all due respect to Mr. Miles I ask how is he in a position to express an opinion? Did he see the cattle, and if he did has he had veterinary training to enable him to determine whether or not the animal was affected? Will he place his opinion in opposition to that of a qualified veterinary pathologist? Surely the hon. member—a layman—is unduly venturesome in pitting his view against that of an expert.

I do not think any member of the House was under the impression that I was pitting my view against that of an expert, but I do think the House will agree that I have just as much commonsense as have the Minister and an army of civil servants, if this is a sample of the stuff they put up. That is all I have to say in regard to that criticism. Then the Minister goes on—

> As Mr. Miles has pointed out, the number of cattle affected is small, and the number overlanded last year prior to the restrictions being enforced was only sufficient to supply the metropolitan market for four weeks. As previously disclosed, the number of cattle overlanded and shipped as stores during the unrestricted years of 1928 and 1929 totalled 3,259, which is approximately five weeks' supply.

I have already replied to that, and I say that in 1930 the three stock routes were in the worst condition they have been in for many years. This year with feed and water provided along those routes, 5,000 or 6,000 head of cattle could come down, finding employment for drovers, and there would be no risk of infection. And the graziers are all anxious to get these Kimberley store cattle. Instead of that, at the present time 3,000 head of Kimberley cattle are on the road down through the Northern Territory to South Australia. It is scarcely credible, to think we are living in a country under a Government supposed to be administering the whole of Western Australia! As a matter of fact it is a little South-West Government from whom we have to tolerate this treatment.

Hon. W. H. Kitson: If there is a shortage of cattle to-day as compared with last year, how is it the price is so low?

Hon. G. W. MILES: I have already admitted, and so has the Minister, that the depression has caused a decline in the price. In addition, the restricted competition has reduced the price considerably. Surely the hon. member can see that if a grazier can go into the market and buy the surplus cattle and take them out and graze them for six months and bring them back again, the cattle will certainly fetch a better price. But the public do not get the benefit. The whole thing requires to be investigated. Another thing the commission might consider is whether some means cannot be provided in West Kimberley for treating the cattle there by canning or some other process: I mean by private enterprise, not by Government enterprise. The commission could investigate that point. The Minister stressed the belief that my motion was fraught with great danger to the Kimberley cattlemen themselves. Why this great danger to the cattlemen themselves? I have already proved that the disease does not exist to the extent the department thinks it does. We are anxious to have an investigation, and the department ought to welcome it, too. Mr. Williams referred to this restriction and the effect it has on the price of meat on the goldfields. He pointed out that after the cattle take the joyride round to the abattoirs at 6s. per head the dairy cattle come and sniff noses with them there. If it is such a highly infectious disease, why is that allowed? Since I moved the motion I have received this letter, which will show the position—

> Dear Sir,—With a view to informing you that a ban has been placed against my station, Fossil Downs, preventing me

from delivering to the purchasers, McGlew, Monger, 450 bullocks which were for shipment to Java, 150 booked to leave Derby on the 19th July and the other at monthly dates according to arrangement, the cause being that on the 3rd June, after slaughter at Midland abattoirs, a bullock with no visible brand and an earmark resembling Fossil Downs earmark, so the inspector says, was the identification. On being informed, the chief inspector and I went to Midland to inquire on the 10th, and were then informed that neither hide, ear or lungs had been sent in for the chief's inspection. The carcase was allowed to be for human consumption, no inquiry being made as to who the butcher was who owned the beast when the slaughtered lungs were showing pleuro in acute form.

The facts of the case were that 522 head of cattle left Fossil Downs station, and they had a stampede. Two hundred of those cattle last month went off to Java. The Minister has said how particular the Java experts are in respect of any animal coming into their territory. There has been no complaint whatever of those 200 animals that went there. The 165 head that were recovered came down by the "Koolinda." Incidentally I want to thank the department for having waived the space booked for other cattle. The beast referred to in the letter was one of those supposed to have been slaughtered at Midland. There is no complaint about the 200 head of cattle that were sent to Java. The letter goes on to say—

> My complaint is that 200 bullocks of the shipment, only part of which arrived at Fremantle, were sent to Java from Derby, and no report of lung disease, and yet there has not been any pleuro found on the station ever. Look upon the inspector's action as unjust. There are two inspectors in the North-West, both very welcome visitors on the station. Think the prohibition should be lifted until definite proof is found on the station of pleuro-infected animals.

This sort of thing not only restricts the sale of cattle down here, but prevents their shipment to Java, on the strength of some official in the slaughter yards at Midland Junction asserting that this was a Fossil Downs animal. He had neither the brand nor the hide which came off the beast, and yet it was determined that it was a Fossil Downs beast, and the inspector would not give his certificate for the shipment of further cattle to Java.

Hon. H. J. Yelland: Was that the only case of pleuro that was found?

Hon. G. W. MILES: Yes, and the officials did not even know that the beast came from Fossil Downs.

Hon. V. Hamersley: And there was nothnig to prove that it did.

Hon. G. W. MILES: No. In 1930, £22,000 was spent in opening up the Canning stock route. No cattle east of Hall's Creek, where there are many clean stations, are allowed to be sent down along that route. This simply means that the stock route has been opened up for the benefit of one station alone, Balliluna. That, too, is a matter into which the Royal Commission might inquire. I have told members that 1,006 head of cattle left Fossil Downs station on the 5th April for South Australia, and that 2,000 are on the way from Glen Roy station. We want nothing unreasonable. We do not want pleuro cattle brought down here, but we do want to see that the regulations are sanely administered. I hope the motion will be carried.

Question put and passed.

BILL—FIREARMS AND GUNS.

Received from the Assembly and read a first time.

BILL—WORKERS' COMPENSATION.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [5.35] in moving the second reading said: The sum of £150,000 is at stake in the consideration of this Bill for the amendment of the Workers' Compensation Act, and industry will be saved the expenditure of that vast sum if the proposals become law. In recent weeks the House has listened with great interest to the speeches on Mr. Holmes' motion for a reduction of production costs in industry. All members who have spoken have emphasised the urgent need of determined action in that direction, and now, with this Bill before them, the Government are giving those members the opportunity to substantiate their utterances by releasing industry of an estimated overburden of £150,000 in workers' compensation insurance. That is the predominating feature of the Bill. Members should ignore balderdash newspaper criticism and the resorting trickery of the claim of the

insurance companies that the proposals cunningly disguise an attempt to establish another State trading concern. If they search high and low in this Bill members will not find anything that can be construed as State trading, and if they will cast aside the hoodwinking propaganda which has been freely indulged in they will discover that the main principles of the Bill are—

(1) the establishment of a compulsory and exclusive Workers' Compensation Fund.

(2) the appointment of a Commission with the Government Actuary as Chairman, together with two members—one from the nomination of the Employers' Federation, and one from the nomination of the State Executive of the Australian Labour Party.

(3) transferring the power to administer lump sums from the local courts to the Commission; the Commission will act as trustees when they deem it advisable.

(4) the injured worker may be required by the Commission to select a doctor from a panel of doctors chosen by the Commission.

(5) the organisation by the Commission and the Medical Board of the medical service.

(6) reduction of the maximum for medical treatment from £100 to £52 10s. with power to the Commission to exceed that amount in special cases.

(7) alterations to the Second Schedule; the maxima remaining unaltered, but the minimum of £75—joints of toes—has been deleted and the minimum of £90—joints of fingers—has been reduced to £22.

(8) reinstatement of a waiting period of three days.

(9) only solely or mainly dependent children to be taken into account when calculating the 7s. 6d. per week payable in respect to children to an injured worker under the First Schedule.

In the opinion of the Government workers' compensation legislation should aim at simplicity of procedure, reasonable compensation for the bona fide injured worker, fair medical expenses, and an organised medical service to ensure the worker receiving the treatment best suited to his particular injury with a view to his early return to work and prevention of avoidable permanent disabilities. It might logically be contended that an injured worker should suffer no monetary loss in such cases, but it is obvious that any measure of compensation must be within economic limits, and that, if the burden on industry is too heavy, a large number of workers suffer by unemployment whilst the compensation benefits would be restricted to a relative few. With those views in mind the Minister for Works sought the interest of the Underwriters' Association in the difficult matter, and conferred with representatives of that body on the 3rd November, 1930. The notes of the conference contain the following—

The MINISTER during the discussion emphasised the following points:—

(a) The Western Australian premiums were the highest in the world.

(b) The Companies had, in 1925, agreed to a 25 per cent. increase on the then premiums. This was after they had examined the new Act.

(c) £400,000 per annum was collected in premiums, and this was altogether too great a strain on industry.

(d) Notwithstanding the high premiums the companies were represented as making losses on the business.

(e) Probably the high amount of £100 for medical expenses was reflected in the premium rates.

(f) The companies had apparently done nothing in the way of bringing about a more economical and efficient system of medical service.

(g) The British Medical Association was anxious to help in this regard.

(h) Overhead charges totalling about 33 per cent. of the premiums were altogether too high.

(i) In his opinion the business should be in the hands of one authority instead of a larger number of private companies, and this would enable the injured workers being compensated at the lowest possible cost to industry.

(j) He would like suggestions from the Underwriters as to how to amend the Act without reducing the benefits to the injured worker, and yet resulting in a big decrease in the premiums.

(k) The Second Schedule should be amended very considerably.

(l) The underwriters should organise the medical and legal services, with a view to the prevention of abuses.

THE REPRESENTATIVES OF THE UNDERWRITERS stated:—

(a) The experience of the Act had proved their estimate of 25 per cent. to be absolutely inadequate. The Agreement of 1925 provided for a review of the premiums annually: owing, however, to a disagreement the agreement lapsed.

(b) Medical expenses were heavy and represented 29 per cent. of the amount of the claims paid—made up as follows:—Hospital, 6 per cent.; medical, 19.7 per cent.; ambulance, .3 per cent.; Other, 2 per cent.

(c) Second and Third Schedules were unduly exploited, particularly regarding fingers and toes.

(d) The fact that the onus of proof was on the employer was a big factor in the increase.

(e) Solicitors were keen on workers' compensation business, and it paid the companies to admit many claims rather than fight, as they had very little chance of recovering their costs if successful.

(f) It would probably be better if the Second Schedule were abolished and all cases treated under the First Schedule. This would

leave a wider range for negotiations, and experience under the old Act showed that this arrangement was entirely practicable.

(g) The increase of the weekly compensation to £3 10s. was a big item in the increase premiums.

(h) A waiting period would eliminate many trivial claims.

(i) The companies had shown losses in the past but the premiums now just about balanced the expenses, without taking into consideration past losses.

(j) The British Medical Association had been approached on various matters, but as the Association had no disciplinary control of its members everything was purely voluntary.

(k) The costs under the Act were increasing each year as its benefits became better known.

(l) If the employers had the right to select doctors it would be possible to organise medical service and a big saving would be effected.

(m) The exploitation of the Act by all parties concerned was an absolute scandal.

(n) One of the reasons for the high rates charged for farmers and clearers was the incorrect wage declarations made by the farmers when submitting their proposals. On the basis of the wage declarations about 7,000 acres only had been cleared during one year.

(o) A revision of the Second Schedule was probably a matter on which the medical authorities should advise.

(p) The alteration of the word "and" to "or" in Section 6 of the Act had a very far-reaching effect, and left the employer very little chance of combating unfair claims.

(q) Reference was made to an agreement between the English Government and the Underwriters' Association whereby 62½ per cent. of the premiums was apportioned to losses and the balance had to cover all expenses including commission and profits.

After a general discussion the representatives of the underwriters stated that they would go into the matter at the invitation of the Minister and submit definite suggestions.

Hon. Sir Edward Wittenoom: Do you consider a Bill like that in accordance with Nationalist ideas?

The MINISTER FOR COUNTRY WATER SUPPLIES: In October last the Minister also had a conference with representatives of the British Medical Association. The medical men representing the association were wholeheartedly in accord with the views of the Government, as the following extracts from a report of the conference show—

Dr. Gill thanked the Minister for the invitation extended to meet him, and stated that the Association was particularly anxious to co-operate with the Government towards the establishing of a more efficient and more economical medical service for injured workers. He also submitted the following points:—That whilst employers in the proper course of business had to write off, as depreciation, a portion of the value of their plant every year, they did not have to do this so far as the human life was concerned, and the B.M.A. urged that the report of injuries to this human plant should properly be made a charge on industry and not on the charity of the medical profession. The Association realised that to remove all imperfections would mean a very comprehensive alteration to the existing law, and they therefore suggest the following items for immediate consideration:—An alteration to the Second Schedule by reducing some of the items; a reduced scale of charges for medical services, say 10s. 6d. for each of the first two visits, 7s. 6d. each for the following two visits, and 5s. per visit thereafter; a fixed scale would be of considerable assistance particularly to the younger doctors, who had little experience in the matter of lumping their charges and arriving at a reasonable amount to cover the whole case.

Dr. Anderson made the undermentioned points:—The medical profession realised immediately £100 was provided in the 1925 Bill, without any provision for adequate supervision being made, that action would be necessary, and they therefore suggested the appointment of a joint committee with the underwriters. The provision of the £100 without proper safeguards was, in his opinion, the major blunder of the 1925 Bill. The injured worker should be guaranteed that he will be placed in proper hands at the earliest possible time after receiving an injury. As Medical Officer of the Perth Public Hospital he could assure the Minister that the accommodation of the hospital was fully taxed with ordinary surgical cases and could not cope with workers' compensation cases. Such cases were now only taken in instances of extreme urgency. He could urge that the amount to be provided for medical expenses be not fixed too low; otherwise all injured workers would be sent to the public hospitals. The adequate supervision of the medical treatment was the crux of the whole position. The B.M.A. realised this, and was anxious to co-operate with the Government in every way possible. Many of the permanent disability losses now paid for were occasioned by the worker not receiving expert attention within a reasonable time after the injury.

Dr. Holland drew attention to the following:—Considerable wastage occurred by the action of the employers in connection with workers suffering minor injuries, through their not being anxious for the return of the workers at the earliest possible date, or to allow such workers being employed at some other, perhaps lighter, class of work during the healing period; thus throwing the whole burden on to the insurance company. All Second Schedule losses should be dealt with on their merits according to the degree of disability suffered, taking into consideration the injured worker's ordinary occupation. If the Government would give the association three months, they would undertake in that time to draw up a complete scheme of medical organisation for the approval of the Government, which they felt sure would be acceptable to all parties in that it would be more economical and more

efficient than the present system. The maximum of £100 for medical attention might, without hardship to anyone, be reduced to £50, with special provision in regard to the North-West and outback districts. Most of the medical accounts ranged from £2 to £10. A time limit might be considered in lieu of a monetary limit.

The Minister thanked the association for its offer of assistance, and explained that his object was to render to the injured worker the most efficient medical attention and fair compensation, and to secure his early return to industry. The present Act was undoubtedly costing far too much, and the Western Australian premiums were the highest in the world so far as he could ascertain. Undoubtedly the proper organisation of the medical service was a big problem and factor in the efficient working of the Act. The Second Schedule also required amending and was, compared with other countries, unduly generous, particularly in regard to the loss of joints of toes and fingers. In his opinion, the term "insurance" should not be applied to the Workers' Compensation Act, but rather should be looked upon as a fund to which employers contributed for the compensation of their injured workers. That being so, and insurance being compulsory, it was the responsibility of the Government to see that the injured worker received the best possible treatment at a minimum of cost to the industry. Overhead charges could be reduced enormously, but to do this and to properly organise the medical service it would be essential to have a sole compensating authority in control.

A very important feature of the Bill now before hon. members as the result of the Government's investigation, is the creation of an exclusive and compulsory fund. The Bill is not an employers' Bill, but a workers' Bill, and in that regard a worker will not need to worry whether or not his employer has insured him under the Act. It will be obligatory on every employer to insure. A worker injured in industry will receive compensation from the fund even if his employer has neglected to insure him, and in consequence the worker will not need to concern himself as to whether his employer has paid his assessments under the Act. It will be the duty of the Commission and the Government Actuary to divide into classes the various industries, and to collect from each class sufficient funds to pay the compensation prescribed in the Act. In support of the proposal for the establishment of the fund, the local branch of the British Medical Association pointed out, in the course of a letter dated 7th May, 1931, that—

The 1912-1924 Workers' Compensation Act brought compensation in this State up to date; but, like all advances in legislation, it has revealed certain weaknesses in operation. To those weaknesses that concern medical matters, we beg to direct attention and suggest improvements. (1) Central supervision is lacking. Instead there is a multiplicity of officers and methods. If all Workers' Compensation Act matters were dealt with by a central office handling nothing else, increased efficiency, closer supervision, and decreased costs would quickly follow. This office might be formed by a voluntary grouping of present insurance companies, or as a State office free of political control, or by a constituted controlling board headed by a commissioner. The unnecessary administration costs of 60 odd insurance companies with staff salaries, office rents, etc., would vanish. Workers' compensation insurance is so essentially a public commodity that the guiding principle should be just administration to all, and not primarily the making of profit. (2) Agents' commissions. As workers' compensation insurance is compulsory and universal, the present scale of commissions (10 per cent.) seems extravagant. Are agents really necessary? (3) A comparison of overhead insurance and medical costs. As insurance companies have often publicly alleged excessive medical charges, a comparison of actual medical and insurance costs is illuminating. The Queensland State Office is reputed for extravagant staffing; its overhead cost is 15 per cent. New South Wales State Office 13 per cent. Victorian figures are 9 per cent. Our State Office shows 4½ per cent., and, making due allowance for help from other departments, is less than 10 per cent.

Similar exclusive and compulsory funds have been in operation for a number of years in Queensland, in most of the provinces of Canada, and in twelve of the American States.

It has been said that the scheme elaborated in the Bill is socialistic and a form of State trading. Canada has no Labour Party of which I am aware, and certainly no Labour Government. Neither has any of the States of America. It is said that a compulsory fund cannot be administered at reasonable cost. In that connection I am able to assist hon. members with some interesting particulars and figures in extracts from the bulletins of the United States Department of Labour, and the "Monthly Labour Review" issued by the same department:—

Bulletin 333, page 99.

Extract from address to a Workers' Compensation Congress, Maryland, U.S.A., by G. A. Kingston, Chairman Ontario Workers' Compensation Board.

It is interesting to note in the figures I am giving a comparison of the awards as between most of the States where the insurance system still prevails and those States or Provinces which are under the exclusive collective liability system, sometimes referred to as the

State fund system. In the latter jurisdictions, as you of course know, assessments are collected from the employers to pay compensation awards, and it seems to me from the figures I have collected that on the average these pay much more than do those jurisdictions whose risks are for the most part carried by insurance companies. Some one may say that you are unduly burdening industry with your higher awards, but I am satisfied such a statement cannot be substantiated. I have yet to find a rate covering any industry in any of the rate sheets which I have had the opportunity of examining which is not considerably higher than the rates we collect in Ontario. The fact seems to me to be established beyond any doubt that on the average industry is taxed much heavier in those jurisdictions where liability insurance companies are still permited to carry the compensation risk than is the case in those having exclusive collective systems, and at the same time the injured workmen are being paid more money in the latter jurisdictions. The explanation is simple: insurance companies cannot be expected to work for nothing, and everyone who has studied the situation knows that there is an overhead load on every rate, estimated at about 40 per cent. Certain statistics recently quoted from Pennsylvania amply confirm this view. Covering a five-year period 80,000,000 dollars was collected in insurance premiums to pay losses amounting to 35,000,000 dollars. I do not believe that employers generally understood this situation clearly or such an economically wasteful system would not be tolerated.

Bulletin No. 385, page 29.

(Later address by Kingston.)

State Fund versus Competitive Insurance.

On this question of State fund, I feel that the expression "State fund" is a misnomer. "State fund," in itself, would suggest that it is a fund raised by the State—I mean out of general taxation. Of course, it is true that it is raised by the State or under the authority of the State or the Province, but too often I fear that a workman coming to the compensation board with a claim, particularly if the claim is one that is not just, has a sort of feeling that the State fund is part of the public chest, and sometimes people are not too careful with regard to claims they put forward when they think the Government is going to pay.

The State fund is simply a collective liability system. In some cases it is competitive, but in all the Canadian Provinces it is exclusive and compulsory as regards the industries covered. We may not be right, strictly speaking, in calling it an insurance system. When you use the word "insurance," you immediately suggest that somebody is insured. True, the employer is insured, but we look at it from the other point of view. The workman is the man who is protected. This is a workman's Act, not an employer's Act, and the workman is protected whether or not the employer pays his assessment. This is where our systems in the Canadian Provinces differ, I think, from your State systems. It is up to the boards in the Canadian Provinces to collect the amount of money required to pay the accident cost, but the employees of these various industries do not depend for their compensation upon whether or not the employer pays his assessment to the board. The law says the employee is entitled to compensation if he is injured, in the course of employment, in an accident arising out of his employment. The question of where the money comes from is a matter of no concern to him. It is up to the administering board to collect that money on a basis which is considered under the law the proper, equitable basis. Therefore, it is probably not correct at all, from one point of view, to say that it is insurance.

January, 1931, page 124.

IOWA.

Referring to the 9th biennial report of the Workers' Compensation Service of Iowa, covering the period ending 30th June, 1930, it is stated that the compensation and medical and hospital benefits totalled 844,000 dollars, whereas the expense of administration was 18,000 dollars, equal to about 2 per cent. of the benefits.

(The system of insurance in Iowa is competitive.)

January, 1931, page 125.

NORTH CAROLINA.

The first annual report of the North Carolina Industrial Commission refers briefly to the organisation of the Commission and its preparatory work before 1st July, 1929, when the new Workmen's Compensation Act became effective, and describes the experience under the Act during its first year of administration.

The activity of the Commission is shown by the fact that, of a total of 12,571 employers, apparently subject to the Act, only 345 had failed to reject or insure. During the year reports were received of 37,370 accidents.

The expense of administration is equal to 5.2 per cent. of the benefits awarded.

CANADA.

May, 1930, page 530.

Workmen's Compensation for Dominion Government Employees.

During the fiscal year ended March, 1929, the total amount of disbursements for all departments was 381,081 dollars, while 21,147 dollars was expended on administration, equalling 5½ per cent.

CANADA.

May, 1930, page 525.

Workmen's Compensation in Ontario in 1929.

The percentage relation of administration costs to the amount of benefits awarded shows that the total administration expense for 1929 was 4.26 of the benefits awarded as compared with 4.49 per cent. for 1928 and 4.66 per cent. in 1927.

Hon. J. Nicholson: Do you know how they arrived at their percentages and what allowances were made?

The MINISTER FOR COUNTRY WATER SUPPLIES: Those figures represent the total administrative expenses.

Hon. J. Nicholson: But what was included?

The MINISTER FOR COUNTRY WATER SUPPLIES: I will come to that in due course—

March, 1928, page 73.

OHIO.

Recent Workmen's Compensation Reports.

The fifth annual report of the Department of Industrial Relations of Ohio contains statistics on workmen's compensation for the period from July 1, 1925, to June 30, 1926. Ohio has an exclusive State fund system, though self-insurance is permitted. The report is interesting principally because it shows the success of the State fund; it does not show the nature, nor the cause, of the injuries or deaths, nor the industry responsible.

On May 14, 1926, the Industrial Commission of Ohio employed consulting actuaries to make an examination and an actuarial survey of the Ohio Workmen's Compensation Insurance Fund. The report of the actuaries is summarised to the effect that the State insurance fund is solvent, with a safety margin of 4 per cent. as at December 1, 1925, the date to which the audit was made. This 4 per cent. represents an unassigned surplus of 2,002,923 dollars. The rates were found to be adequate. The expenses of the fund for the 12 months ended June 30, 1926, were only 3.8 per cent. of the premiums. Comparative cost data contained in the report bring out the fact that Ohio's cost is lower than that of any of the other States mentioned, West Virginia being the next lowest (4.4 per cent.) and New York highest (16.7 per cent.). The average ratio of 65 stock companies is 38.9 per cent. and that of 28 mutual companies 23.4 per cent. The report states that 36 cents on every dollar that would have been paid to insurance carriers for the year ending June 30, 1926, was saved to the people of Ohio.

August, 1928, page 67.

NEW YORK, U.S.A.

According to the report, "the loss ratio decreased from 75.4 per cent. for the year ended December 31, 1925, to 73 per cent. for the year ended December 31, 1926, and the expense ratio from 18.4 per cent. to 17.7 per cent." The loss ratios in 1923 and 1924 were 78.8 and 79.4 per cent. respectively.

The report attributes these results to factors including the following:—

4. The improvement within the State fund organisation and the progress made in methods of handling the business.

As to the fourth factor, the report quotes the findings of the New York State Industrial Survey Commission appointed by the 1926 legislature to study conditions in industrial and mercantile establishments, as follows:—

There is no doubt but that the State insurance fund as at present administered is performing an exceptional service. In general its initial premium is on the average of 15 per cent. below the rate of the casualty companies. In addition it has returned to its policy holders on the average dividends amounting to approximately 15 per cent. annually. This dividend combined with the reduction in the initial rate has reduced the actual cost of compensation to the employer approximately 27½ per cent. All those concerned in the administration of this fund are entitled to commendation.

August, 1930, page 63.

ARIZONA.

The fourth annual report of the Industrial Commission of Arizona covers the operation of the competitive State compensation fund for the calendar year 1929.

The fund, which is declared the fourth largest of the competitive State funds in the United States, although established only four years, wrote insurance the premiums of which totalled 1,794,108 dollars during 1929. Employers insuring in the fund are classified as general, civic, and "self-rating." The amount of premiums collected from employers in the general classification aggregated 819,533 dollars, and exceeded the combined total paid in the State to all other insurance carriers. The initial cost of insurance in the State fund is 10 per cent. less than rates charged by private carriers, and according to the report, which is dated June 12, 1930, a substantial dividend will be declared within the next few weeks to employers in the general and civic classifications, which together will result in a net saving of over 250,000 dollars through insuring in the fund.

A total of more than 17,000 new cases were handled during the year by the industrial commission, which has jurisdiction over all cases of industrial injury, whether the liability is carried by the State fund or by private insurance carriers. The latter do not, however, contribute to the operating expense of the commission, which is financed from a percentage of the earned premiums of the State fund, plus a per cent. tax on self-rating employers. It is pointed out that the overhead during the year was only 7 per cent., asserted to be the lowest of any competitive State fund in the country.

March, 1929, page 124.

WEST VIRGINIA.

Extract from the Report of the State Compensation Commissioner of West Virginia.

In the face of the fact that the past loss ratio of the department made a general increase in rates necessary, the department still stands in the undisputed position of furnishing workmen's compensation insurance to the industries of West Virginia at a net cost in premiums far below that which it would be necessary for them to pay if the same protection were furnished through any other insurance carrier. The department has long since justified its organisation and its operation by a saving to the industries of the State of West Virginia, from its organisation

in 1913 up to the present time, of at least twenty millions of dollars in insurance premiums, by reason of the fact that it has always operated at a premium cost of approximately 50 per cent. less than insurance company carriers were charging for the same class of protection.

July, 1930, page 88.

MARYLAND, U.S.A.

The annual report, year 1929, of the superintendent of the State accident fund, shows a surplus of 500,000 dollars protected by reinsurance, a reserve for unpaid claims of 350,620 dollars, and an increase during the year in assets of 35,761 dollars. The expense ratio of the fund during the year was 8 per cent. of the premiums written, a reduction of 16 2-3 per cent. of the expense ratio for the previous year.

November, 1928, page 81.

PENNSYLVANIA, U.S.A.

State Workmen's Insurance Fund.

The Department of Labour and Industry of Pennsylvania, in its monthly publication "Labour and Industry" for August, 1928, publishes a financial statement of the State Workmen's Insurance Fund as at December 31, 1927, with text discussing the condition of the fund.

A 16.5 per cent. expense ratio on the premium income of the State fund for salaries and all administrative expenses of the fund, or a 15.1 per cent. expense ratio on the entire income of the State fund, shows that it was economically managed.

During these 12 years of the State fund's existence, policy holders have paid into the fund 29,347,966 dollars. Out of this amount 3,708,594 dollars have been returned to policy holders as dividends, 500,000 dollars have been returned to the State Treasury, which amount is the total of two appropriations made to the fund by the State of Pennsylvania at its beginning for the purpose of organisation, and 15,462,463 dollars have been paid out to injured employees and to the families of deceased employees. The total assets of the State fund, as at December 31, 1927, amounted to 8,322,126 dollars while the surplus on the above date was in excess of 3,069,573 dollars. The interest earnings derived from investment of surplus funds, during the year 1927, amounted to 326,234 dollars.

In analysing these figures it is quite evident that the State fund has established a remarkable record of achievement and that its fair and impartial treatment of policy holders and injured employees are convincing arguments and proof beyond doubt of the success of the State fund.

The remarkable growth of the State fund is all the more interesting when one stops to consider that it is not compulsory for employers of labour to insure with the State workmen's insurance fund. The form of policy which the State fund issues does not differ materially from the coverage provided and furnished by some 50 other insurance carriers who are licensed to do business in Pennsylvania. The rates which the State fund is authorised to use in the underwriting of policies are the same rates issued, published, and approved by the Insurance Department of Pennsylvania, which all other insurance carriers are compelled to use.

August, 1929, page 881.

ALBERTA.

Workmen's Compensation in Alberta in 1928.

The eleventh annual report of the Workmen's Compensation Board of Alberta describes its activities during the calendar year 1928.

Contributions on account of medical aid totalled 240,083 while payments for medical services amounted to 207,601.

The administration expense (excluding that made on account of mine rescue) was 84,233, or 5.17 per cent. on cash receipts, a reduction of 68 per cent. as compared with the year 1927.

Hon. H. Seddon: Can you quote the rates obtaining in those States?

The MINISTER FOR COUNTRY WATER SUPPLIES: I have not got them at present.

Hon. J. Nicholson: You could get them?

The MINISTER FOR COUNTRY WATER SUPPLIES: Yes, I could do so. Coming to Western Australia, we find that the State Insurance Office last year received £199,000 in premiums, while the insurance companies received £235,000.

Hon. Sir William Lathlain: But that included the whole of Government insurance.

The MINISTER FOR COUNTRY WATER SUPPLIES: That is so. It will be seen, therefore, that the State Insurance Office is doing nearly as much business as the 52 companies in the State combined. Queensland in 1928 had a population of 916,000 persons, while Western Australia had a population of 405,000. Last year Queensland paid £428,000 in workers' compensation premiums, while Western Australia paid £400,000. In Queensland premiums are collected in regard to workers drawing up to £520 per annum, as against £400 in Western Australia. The figures disclose that Queensland, with more than double the population of Western Australia, is doing her workers' compensation business for £428,000 as against the exorbitant cost of £400,000 for this State. Perhaps these figures have some bearing on the more prosperous conditions which exist in Queensland to-day. In Queensland workers' compensation is a State monopoly run by the

Government. Over there, there is a reserve fund of £375,000, and every year a profit is being made, whilst the premiums are substantially lower than in Western Australia.

Hon. Sir William Lathlain: Do you say that in Queensland a profit was made every year?

The MINISTER FOR COUNTRY WATER SUPPLIES: Yes.

Hon. Sir William Lathlain: On all insurance, not on workers' compensation.

The MINISTER FOR COUNTRY WATER SUPPLIES: In this State the premiums collected by the State Office only in 1930 for ordinary insurance from private people amounted to £55,605, and the premiums collected for miners' phthisis under the Third Schedule amounted to £38,505, while the premiums paid by the Government for Government servants totalled £107,406. So the total premiums collected aggregated £199,516. In regard to the State Office, the position on the 30th April last was: The General Accident Fund had a balance of £13,556; the Miners' Phthisis Fund had a balance of £126,933; the Government Workers' Fund had a balance of £46,158, or a total reserve of £187,447.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR COUNTRY WATER SUPPLIES: Last year the Workers' Compensation Fund—the Third Schedule Fund—paid £10,000 to the Miners' Phthisis' Fund. It has been said that some of the claim that should be on the Third Schedule has been shifted on to the miners' phthisis, so it was only a matter of justice to hand that money over. For the year ended the 30th June, 1930, the cost of workers' compensation on industry in Western Australia was approximately £400,000, made up as follows:—

	£
Private Companies	235,000
State Office (other than Government business) ..	53,000
Government Departments ..	90,000
Self insurers	20,000

A comparative statement showing the premiums charged in the various Australian States has been supplied to members, and a reference to it shows that the premiums charged by the State Office in Western Australia are about 20 per cent. lower than those charged by the companies. The statement reveals that the premiums charged in Western Australia are by far the highest in the Commonwealth. In some instances they are at least twice as high, and in many instances three or four times as high as those charged in other States. Even in New South Wales, where the benefits offered are greater, the premiums are considerably lower than those in Western Australia.

The operations and financial results of the private companies doing business in Western Australia are indicated in the following statement:—

WESTERN AUSTRALIAN BUSINESS OF EMPLOYERS' LIABILITY AND WORKERS' COMPENSATION COMPANIES FOR THE UNDERMENTIONED PERIODS.

Year.	Revenue.			Expenditure.					Profit (+) or Loss (—) on year.	Percentage of Expenditure to premiums under—		Total.
	Premiums.	Rent, Interest, etc.	Total.	Compensation and Medical Expenses.	Commission and Agents' Charges.	Other Expenses.	Total Administrative Expenses.			Compensation and Medical Expenses.	Commission and other Expenses.	
	£	£	£	£	£	£	£		£	%	%	%
1924 ...	96,000	124	97,000	47,079	12,895	22,612	35,507		+ 14,504	48·55	36·02	85·17
1925 ...	151,546	226	151,772	87,550	19,349	32,972	52,321		+ 11,392	57·78	34·80	92·63
1926 ...	158,751	1,802	160,553	132,158	19,135	34,408	53,543		— 25,148	83·25	33·73	116·08
1927* ...	82,383	1,047	83,430	68,575	9,893	22,386	32,279		— 17,424	83·24	39·18	122·42
1927–28...	201,759	1,720	203,488	158,362	26,214	43,610	69,824		— 19,218	78·75	34·61	110·38
1928–29...	211,970	2,326	214,296	162,335	27,965	52,954	80,919		— 28,958	76·58	38·17	114·76
1929–30...	231,441	4,164	235,605	157,789	29,432	56,701	86,133		— 8,317	68·18	37·22	105·39

*Half-year ended 30th June, 1927.

Those figures convincingly prove that, even with the extortionate premiums charged, workers' compensation business is unprofitable to the private companies. In direct contrast to those woeful figures, I have a table showing the operations of the

State Insurance Office in workers' compensation during the last four years:—

STATEMENT SHOWING OPERATIONS OF THE STATE INSURANCE OFFICE IN REGARD TO WORKERS' COMPENSATION INSURANCE FOR THE FOUR YEARS ENDED 30TH JUNE, 1930.

Year ended 30th June.	Premiums.	Claims.	Administration Expenses.	Total.	Percentage of Expenditure to premiums under— Claims.	Administration.	Total.	Net Profit.
	£	£	£	£	%	%	%	£
1927 ...	23,857	21,375	1,065	22,440	89·6	4·5	94·1	1,417
1928 ...	36,161	33,883	1,291	35,174	93·7	3·6	97·3	987
1929 ...	47,021	44,701	1,388	46,179	95·3	3·0	98·1	842
1930 ...	53,905	49,141	1,515	50,656	91·7	2·8	94·5	2,949

Hon. Sir William Lathlain: Is the State Insurance Office charged the 2½ per cent. on the total income, the same as ordinary insurance companies are charged?

The MINISTER FOR COUNTRY WATER SUPPLIES: The percentages of administrative expenses to premium income of the various States and countries are—

Queensland State Office	15.6
N.S.W. State Office	13.6
Victoria State Office	9.2
New Zealand State Office ..	15.6
Western Australian State Office (approx.)	5.0
Western Australian companies ..	37.0
Ontario, Canada	4.8

It is not suggested that the administrative expenses of the proposed compulsory fund would be quite as low as those of the present State Office. That office does not now pay any rent, rates or taxes; its costs are for salaries and stationery only, and it has not had to look for business. Therefore the administrative expenses under this measure might be higher. Queensland has what may be called a workers' compensation fund, and investigations by competent officers have satisfied the Minister that the administrative expenses there are unusually and unnecessarily high.

Hon. J. Nicholson: You only cover the people who actually pay you an insurance premium.

The MINISTER FOR COUNTRY WATER SUPPLIES: That is so.

Hon. J. Nicholson: But you would not do that under the fund.

The MINISTER FOR COUNTRY WATER SUPPLIES: When comparing Canada and the United States of America with Australia it should be remembered that in some of the Provinces and States of America many industries are excluded from the benefits of the Workers' Compensation Acts, and in some instances only establishments employing over a certain minimum are covered. Practically all countries outside of Australia exclude domestics and farm workers from workers' compensation. Taking the Queensland administrative expenses of 15.6 per cent. as a guide, the responsible Minister anticipates that a saving of £50,000 under the heading of administrative expenses will be effected by the creation of the exclusive Commission proposed in the Bill. In regard to medical expenses, it is confidently anticipated that very appreciable advantages will be derived by the Commission having the power properly to organise the medical treatment of injured workers. The Underwriters' Association state that 29 per cent. of the amount paid in claims is for medical and hospital expenses. In the course of his investigations of that important aspect the Minister conferred with the British Medical Association, and as a result of those conferences it is proposed in the Bill to create a medical board with a permanent chairman, and, in the appointment of the two other members required to constitute it, regard will be paid to the nature of the cases to be dealt with.

Hon. G. W. Miles: What salary will the chairman get?

The MINISTER FOR COUNTRY WATER SUPPLIES: That is a matter of detail. The duties of the board will be—the determination of the percentage diminution of full efficient loss of limbs, etc.; to determine whether workers are in fit condition to make election re the first and second Schedules; to determine questions of fact—medical or surgical—before or during Local Court proceedings; to determine all medical matters in pursuance of the Act; to determine matters—medical or surgical—on the

application of either party; to determine, in case of dispute, the fitness of workers for work; to determine in case of dispute, the extent of incapacity due to injury; to hear the appeals of workers against requisitions of the Commission as to treatment, etc.; and the Chairman is to advise as to when special treatment is necessary in any case and to advise the Commission on medical matters generally.

The responsible Minister is confident and the British Medical Association agree that, with close co-operation between the Commission and the Medical Board, the medical and surgical services will be more efficient and more economical, and that they will result in workers being returned to industry with less delay than at present and with reduced permanent disabilities. Under the present system a worker is allowed to select a doctor, and it has been proved in many instances that that method is too costly and is lacking in efficiency. In the circumstances, it is proposed that the Commission should be given the opportunity to follow up each case, and if necessary, to transfer the worker to a specialist to ensure his speedy restoration to industry with as little permanent disability as possible.

Inquiries show that 93 per cent. of the claims have been in respect to temporary disablement. Under the Government workers' compensation fund the average claim for temporary disablement was £8 1s. 1d. under the 1912 Act, and £8 18s. 9d. under the present Act. Medical and hospital expenses increased from practically nil to £6 4s. 10d. per claim, and the medical expenses for Second Schedule claims—Government workers—averaged £51 under the present Act. The medical benefits in the States of Australia are:—

New South Wales: maximum of £50, being £25 for hospital and £25 for medical, and an allowance of £2 2s. is also paid for ambulance service if necessary; Victoria, nil; South Australia, nil; Tasmania, nil; Commonwealth, £100; Queensland, cost of medical attendance supplied by the commission is deducted from compensation; Western Australia, maximum of £100. In this Bill it is proposed that the amount shall be £52 10s. and authority is given to the commission to exceed that amount when necessary. In that respect and referring to the choice of the doctor, the following extract from an International Labour Office publication, entitled "Workers Compensation for Industrial Accidents," is interesting—

> The form assumed by medical aid depends in the first place on the solution adopted for the question of the choice of doctor, surgeon, pharmacist, and, if the case arises, hospital. The problem of free choice of doctor has been, and continues to be, the subject of keen discussion. Where free choice of doctor by the workman is permitted, there can be, properly speaking, no medical organisation. Moreover, in order to limit the expenses which the employer or insurance institution may incur, the majority of laws provide either a legal scale of medical fees and drug prices, or else for settlement by a judge, if a dispute arises, of a limit of expenses not to be exceeded in the case concerned.

In this Bill provision is made that the injured worker may be required by the commission to choose a doctor from a panel of doctors selected by the Commission, and it is stipulated that the cost of medical treatment shall not exceed £52 10s. unless the Commission otherwise decides. Certain cases have been brought before the Minister which show the necessity for a proper organisation of the medical service. Regarding them the following summaries are interesting—

> The claimant injured his left hand. He was under the care of the local doctor who certified that apparently the man had lost the power of sensation in the left hand, and that in the doctor's opinion this disability was permanent. The man was brought to Perth for examination and electric massage was ordered. A month later the man was sent back as fit for work without any disability remaining. It is probable that if the man had not been brought to Perth, a fairly large sum would have had to be paid for a permanent disability. Total compensation paid amounted to £33 0s. 8d., and medical expenses £30 12s. 9d.

> The claimant working on the road was knocked down by a motor truck and sustained a sprained knee. He was treated by a local doctor and two months later was certified by the doctor as being fit to resume work. Three months later he ceased work and was again under the care of the doctor. After two months treatment, as the man was making no improvement, the doctor suggested that he come to Perth for treatment by a specialist. An examination of the knee was made and manipulation of the knee joint under general anaesthetic was suggested. Within a month the man was certified as being fit to return to work. The total amount of compensation paid was £64 2s. 6d. Medical expenses incurred, £126 15s. 5d. Paid £103 6s. 11d.

Hon. G. W. Miles: The doctors had a bean feast.

The MINISTER FOR COUNTRY WATER SUPPLIES: Another claimant sustained a twist to his right thigh.

He was under the care of a local doctor for six weeks who issued a certificate to the effect that despite his treatment the man seemed to be making no material progress and the doctor was afraid that a serious incapacity would arise from the injury. The man was brought to Perth for examination and massage treatment was ordered. Three months later he was certified fit for work with no permanent disability resulting. The total compensation amounted to £74 4s. 9d., and medical expenses £22 14s. 8d.

Hon. C. B. Williams: Did the man contest that decision?

The MINISTER FOR COUNTRY WATER SUPPLIES: I am not aware of that. Here are other cases:—

The claimant received severe internal injuries. He was under the care of a local doctor and six months after the accident a certificate was issued to the effect that the man was permanently unfit for anything but the very lightest duties. The doctor certified that the man would not be again fit to do his old work. A week later the man was brought to Perth. On Dr. Lovegrove's suggestion a joint examination was made to decide whether or not operative treatment was advisable. The doctors recomended an operation which proved to be quite successful and three months later the man resumed his ordinary work with no permanent disability. The total compensation paid amounted to £159 16s. 8d. and medical expenses £85 8s. 1d.

The claimant fractured his right leg. He was under the care of a local doctor who eight months after the accident suggested that as the showed no signs of improvement it should be amputated. As a result of this recommendation the man was brought to Perth and examined. A further operation was suggested by the Perth doctor to correct a deformity which existed in the leg. The operation was performed and four months afterwards the man was certified as fit to return to work with a permanent disability of 40 per cent. The total amount of compensation paid was £240 as against £600 which would have been paid if the local doctor's recommendation had been carried out. Medical expenses paid—£87 15s. 6d.

The claimant injured his right knee. He was placed under the care of a local doctor who performed an operation. The man was no better as a result of the operation and his leg was apparently permanently disabled. He was brought to Perth for examination and an X-ray photograph was taken of the injured knee. The X-ray showed that all of the foreign bodies had not been removed and that apparently the operation had been done in the wrong part of the knee. A further operation was performed and the remaining foreign bodies were removed. The man was then examined by a Medical Board, who assessed his disability in the knee at 50 per cent., and it was found that he was fit for light work. The total amount of compensation paid was £300. It is probable that if the man had been treated in Perth at the outset there would have been no permanent disability in the leg. Medical expenses incurred—£160 5s. 1d., paid £100.

On the same matter Mr. Fred. M. Wilcox, Chairman of the Industrial Commission of Wisconsin, U.S.A., said—

The now universal plan of employer selection of medical attendance is based on the theory that the employer is better able to judge of the needs of the injured worker and of the capabilities of those called upon to treat him. Back of the employer is a volume of experience with doctors, an intimate knowledge of their reputation, and skill in the profession, a keener appreciation of the results of scanty or unskilled attention, and the faculty of determining emergency questions without a moment's delay and with real vision. Rarely indeed would an injured employee have experience so fully fitting him to make the proper choice. The times when he has had to assume the responsibility of selecting a physician to treat accidental injuries are nil—at most, just a few times in a lifetime. The employer of a few hundred persons in a plant of average hazard will have to meet the need almost weekly of calling a physician to attend some one of his employees who has been injured so seriously as to cause him disability, ranging from a day of lost time to fatal termination. These observations will illustrate the better training of the employer for the task.

In the same connection the British Medical Association waited on the responsible Minister and offered their whole-hearted co-operation in the organisation of a less expensive and more efficient medical and surgical service. The members of that association laid emphasis on the fact that many apparently permanent disabilities could be removed or minimised by special treatment, such as massage. They pointed out that special treatment was not available in all country centres, and further expressed their views in a letter dated 31st October, 1930, reading—

1. When the worker is injured he receives half pay, and owing to his injury requires medical or surgical treatment to put him back to work in the shortest time to save economic loss.

2. In cases of major injury, medical treatment is essential to reduce loss of time and to reduce permanent disability.

3. Therefore, to ensure efficient treatment it is necessary to have the best organisation obtainable, and for this is advocated—(a) First aid; (b) Medical practitioners, including specialists; (c) Hospital and nursing; (d) Several forms of treatment; (e) Orthopaedic apparatus, artificial limbs, attachments, etc.

4. Efficient supervision to carry this out is essential, and such treatment will mean economy in every way. To ensure this, therefore, early consultations are necessary, the medical practitioner should report the nature of the injury and its probable duration to the insuring body, who should take advantage of their right under the Act to have a second opinion.

5. We would suggest that a central body body be formed to help in this matter, details of the working of which can be discussed later.

6. Under the present Act there has been abuse by a small minority of the profession in regard to medical charges. Since the special medical committee was appointed 3½ years ago at the instigation of this association, for the review of medical accounts, only 732 accounts have been submitted for revision, and the main portion of these has been passed as "reasonable." According to the Government Actuary, in the year ended 30th June, 1929, there were 13,206 claims for compensation. This would work out in 3½ years to about 45,000 claims. This indicates the small number of accounts in dispute, which is a fitting reply to the adverse comments against the profession.

7. Whatever scheme you may adopt for the treatment of the worker, we are willing to assist you to render that scheme efficient for the worker and economical for industry.

We hope, however, that you will not attempt to make the repair of the human machinery damaged by industry, a charge on the charity of the medical profession. When a corporation set in motion mechanical machinery for the purpose of profit, they must make allowances for the repair and replacement of that machinery; also, when they use human machinery, they must set aside a sinking fund for the repair and replacement of the human machinery.

For those reasons the Government believe that the commisssioners, assisted as they will be by the Medical Board, who have a wide knowledge of the right class of treatment for any patient, should have the right to select a panel of doctors from which the injured worker may be required to select a doctor for the treatment of his injuries.

The principal amendments made by the Act of 1924 to the Act of 1912 enabled a maximum for medical expenses of £100 to be paid in lieu of £1; increased the maximum compensation for total incapacity from £500, plus £1 medical, to £750, plus £100 for medical; increased maximum weekly payments from £2 10s. to £3 10s.; and increased the items in the Second Schedule by 50 and 100 per cent. respectively.

As hon. members will see from the figures in the comparative statement before them, the premiums under the 1912 Act were considerably less than half those which exist to-day. In that statement the premiums in respect to butchers in New South Wales is 34s., in Victoria 20s., in South Australia 17s. 6d., in Queensland 26s., and in this State it is 90s. in the case of the insurance companies and 50s. in the case of the State Insurance Office. In the case of farmers the amount is 30s. in New South Wales, 16s. 6d. in Victoria, 22s. 6d. in South Australia, 16s. in Queensland, and in this State 65s. in the case of insurance companies and 52s. in the case of the State Insurance Office.

The greatest increase in the premiums is upon the timber industry. The percentage increase in connection with the timber industry as it affects the sleeper-hewer is 669.2 per cent. Every hon. member will agree that the figures show the absolute necessity for giving the industry some relief from such excessive costs. Whether we agree as to the actual method of arriving at the relief remains to be seen. The important problem confronting the Government to-day is to reduce the cost to our primary producers, who cannot increase the price at which they sell their goods overseas. Our only hope for the future is to reduce the cost of production. Figures obtained from the State Sawmills show that workers' compensation costs for sawmilled timber amount to 3s. 6.55d. per load. That is altogether too heavy a burden for the industry to stand. The premium amounts to £10 per £100 in the case of insurance companies and 180s. in the case of the State Insurance Office. In the sleeper-hewing industry, the premium is £25 per £100.

Notwithstanding those high figures, a heavy loss is incurred on the timber industry business handled by the State Insurance Office. In the case of sleeper cutting, the premiums received by the State Office amounted to £7,527 9s. 3d., but the claims paid out came to £16,742 8s. 6d., the claims thus being nearly twice as much as the premiums paid. There are other than Britishers engaged in the timber industry, and perhaps that fact furnishes a reason for the heavy claims.

In the case of firewood cutting, the premiums paid amounted to £10,269 0s. 1d. and the claims to £10,281 17s. 5d. In the case of sawmilling and log-hauling, the premiums amounted to £3,408 6s. 1d. and the claims to £2,467 12s. 4d., there being a slight profit there. In the case of sawmilling and sleeper-cutting, in which the premium is

200s., the premiums amounted to £2,080 10s. 5d. and the claims to £2,574 11s. 10d. Figures like these show it is necessary for Parliament to take some drastic action.

The premiums paid in respect to farming amounted to £1,545 7s. 3d. and the claims to £1,755 13s. 7d. Even in the farming industry, the premiums do not cover the claims. Then take local government insurances. Hon. members will see that very high premiums are charged for working in quarries and for road-making. The premiums paid amounted to £4,587 11s. 7d. and the claims to £4,615 11s. 10d.; so that the premiums did not cover the amount of the claims.

With respect to benefits, the State of New South Wales gives more than Western Australia. On the comparative table supplied to hon. members, there will be seen the maximum amount payable. New South Wales gives a maximum amount of £1,000 and £52 2s. for medical expenses. Queensland's maximum is £750, without medical expenses. South Australia's total is £700, and that of Victoria £600. In Queensland and New South Wales the weekly payment is 66 2/3rds per cent., as against our 50 per cent.; but in New South Wales certain medical expenses are allowed. The Queensland regulations give power to the commissioners to decide what medical treatment shall be received, and they deduct the money from the compensation to be paid.

The maximum wage payable to injured workers in Queensland and New South Wales is more than it is in Western Australia. In New South Wales it goes up to as much as £5, with a certain number of children; and in Queensland it reaches £4 5s., adding a number of children. In Western Australia the maximum is £3 10s.

Notwithstanding that, the New South Wales Second Schedule is exactly similar to that of Western Australia, except that the figure for total disablement is £1,000 in New South Wales, whilst ours is £750 for total disablement.

Despite the increased rate of wage to the injured worker, in Queensland the premiums are not half what are paid in Western Australia. In some cases they are about one-third. In New South Wales the premiums are considerably less than those in Western Australia. One must examine the particulars and ask the reason why. In New South Wales there is a waiting period of seven days; and if the injury does not last for more than 14 days, there is no compensation for the first seven days. In addition, medical expenses in New South Wales total £52 2s. Our total is £100. That appears to be the only reason for the premiums in that State being lower. In Queensland the maximum is £750 without £100 for medical expenses, and yet our premium is between 200 and 300 per cent. higher than that of Queensland. The weekly payment in Queensland is 66 2/3rds per cent. as against our 50 per cent. The maximum weekly payment in Queensland is 85s. and in Western Australia 70s.

The Second Schedule benefits are lower in Queensland than those under the Western Australian Act for the loss of limbs or parts of limbs, and nothing is paid for the loss of the joint of a toe other than the great toe. On a number of items comparable with Western Australia, 263 claims in Queensland averaged £122 as compared with £246 for Western Australian Government workers and £241 for Western Australian State Office claims. The average amounts for loss of any toe other than the great toe or joint of finger was £47 for Queensland, as against £108 for Western Australian Government workers and £115 for Western Australian State Office claims. The minimum in Queensland for a finger is £37 10s., and nothing is paid for joints of toes; whereas in Western Australia £75 is paid for the loss of a toe, in addition to medical expenses. In the Second Schedule of the Bill it is proposed to leave the maximum as it stands to-day, at £750, but to reduce the minimum for the loss of the joint of a finger from £90 to £22, and to abolish altogether payment for the loss of the joint of a toe other than the big toe. Other alterations proposed in the Second Schedule are: The amount payable for the loss of one leg at or just above the knee is reduced from £600 to £475; the loss of one leg just below the knee is reduced from £562 to £450; the loss of one thigh at upper third, from £600 to £525; the loss of one thigh at lower third, from £600 to £500; the loss of one leg below knee at lower third, from £562 to £400; the loss of foot at ankle, from £525 to £390; the loss of arm at or above elbow, from £675 to £475; the loss of arm near shoulder, from £675 to £600; the loss of hand at wrist, from £600 to £400; the loss of forearm at upper third, from £600 to £450; the loss of forearm at lower third, from £600 to

£420; the loss of sight of one eye by removal of eye, from £375 to £300, and in respect to other injuries lesser amounts will be payable as hon. members will see on comparing the schedule in the Act with that in the Bill.

Hon. G. W. Miles: How do those benefit payments compare with the payments in Queensland and New South Wales?

The MINISTER FOR COUNTRY WATER SUPPLIES: They are just about the same as in Queensland. The Second Schedule submitted in the Bill is a fixed average schedule based on that adopted in 1923 by the American International Association of Industrial Accident Boards and Commissions, and it also approximates the schedules in Dr. Brouardel's tables, which are embodied in medical test-books and recognised as the best authority on the percentage disabilities of limbs in relation to the total disability. After a careful study of the operations of the Act, the Government are convinced that the principal reasons for our heavy premiums are the high medical expenses allowed, and the unduly large Second Schedule benefits. Charts of the hand, foot, arm and leg have been laid on the Table of the House and hon. members may find them very useful in considering the injuries mentioned in the Second Schedule. In comparing our Second Schedule with that of Queensland, it should be remembered that we provide medical expenses up to £52 10s. in the Bill in addition, whereas such expenses in Queensland are borne by the worker, except in exceptional cases. That is very important in any comparison of the two schedules.

Hon. J. Nicholson: It comes out of the compensation there?

The MINISTER FOR COUNTRY WATER SUPPLIES: Yes, in Queensland. The next important question is the introduction of the waiting period. In New South Wales it is seven days, having been altered from three days in 1929. In Victoria, the period is one week. In Queensland, it is nil and previously—until 1925—it was three days. The reason given in that State for the abolition was that the fund was £250,000 in credit and the period therefore could well afford to go out. In South Australia it is one day, while in Tasmania it is three days. In the Commonwealth it is nil, and it is also nil in Western Australia. Under the Bill it is proposed that there shall be no compensation for the first three days, unless the injury lasts for more than seven days. In the United States there are only two States where there is not a waiting period. All others have it, and it varies from three to 14 days.

The following extract from a publication issued by the International Labour Office from an article entitled "Compensation for Industrial Accidents," deals interestingly with the subject:—

> The great majority of laws (about three-quarters) specify that incapacity lasting less than a certain small number of days (between three and seven) does not entitle to compensation. The very provision of a waiting period as well as its plan and length are the result of compromise. On the other hand, the workman's right to compensation is essentially the same whether his incapacity lasts one, 10 or 100 days; on the other hand, there is the inexpediency of compensating for incapacity of very brief duration.
>
> One object of such provision is to avoid putting administrative machinery into motion on account of trifling injuries. If no waiting period were provided, the way would be open for a large volume of small claims which would place the employer or insurance institution in the difficult dilemma of either making an investigation whose cost would be disproportionately great in relation to the amount of compensation concerned, or paying without question, which might involve much unjustifiable expense.
>
> A second object of the waiting period is to discourage malingering by making the workman bear the loss of wages during the first few days of incapacity.

Many workers meet with a slight injury which could well be treated by themselves or by the employer, with a first-aid outfit. Now, however, they see a doctor, and because they consult a doctor, they put in a claim. The very fact of putting in a claim sets in motion the administrative machinery, and so there are incurred administrative costs. The employee is well protected under the new provision because if something develops from a slight injury and a serious illness follows, so long as notice has been given in such a case, a claim may be made in the future. In regard to dependent children, the First Schedule of the present Act provides that, in case of incapacity, a worker shall be entitled to 50 per cent. of his weekly wage, with an additional 7s. 6d. for each child under the age of 16. It is now proposed in the Bill to make the allowance 7s. 6d. in respect only to children wholly or mainly dependent on the injured worker. That alteration will bring our law into line with the requirements in all the other States.

It is, of course, difficult to accurately estimate the savings which will be effected if the amended Bill is put into operation, but, after consultation with the experts, the Government are confident that the premiums will quickly recede to those that operated under the 1912 Act. Even those rates were higher than those charged now under the Victorian, South Australian and Queensland Acts. After a year or two of operation of the Bill, if enacted, it should be possible, in the opinion of the Government, to bring down the premiums to the level of those of those of Queensland, and, subject to that desirable state of affairs, the estimated savings should be £150,000 per annum.

The remaining matter worthy of a few words relates to Employers' Liability and Common Law. At the present time all workers' compensation premiums cover Employers' Liability and Common Law and provision is made in the Bill whereby the Commission may insure against those risks. It is the practice now for workers' compensation policies to also cover those risks, and it is considered advisable to obviate the necessity for employers to take out additional policies in that connection. As a matter of fact, very few cases are dealt with in Western Australia under the Employers' Liability Act. If Common Law and Employers' Liability are excluded from this measure, practically every employer who wished to protect himself in those two respects would be compelled to take out an additional policy. Although the liability involved is slight, nevertheless, premiums would have to be paid but they would not be worth while and it is therefore proposed that the commission should be authorised to insure against such risks. In Great Britain during 1928 the number of cases arising under employers' liability was only 42, and in 20 of those cases the courts awarded compensation totalling £4,420.

Hon. J. Nicholson: May I ask if the rate to be struck will be in respect of Workers' Compensation only, or Workers' Compensation plus Common Law and Employers' Liability?

The MINISTER FOR COUNTRY WATER SUPPLIES: I understand it will cover the lot. In the circumstances, the premiums payable under the Bill will include the risks under Employers' Liability and Common Law. There is no Employers' Liability Act in Queensland. In conclusion, I trust hon. member will assist me in the consideration of the Bill to the extent of giving me ample notice of any proposed amendments. In a Bill of this description, it is very desirable that the experts should be given the opportunity to examine closely all proposals and I shall be under a grave disadvantage in that connection if proposed amendments are not placed on the notice paper. I move—

That the Bill be now read a second time.

On motion by Hon. J. M. Drew, debate adjourned.

BILL—HIRE-PURCHASE AGREEMENTS.

Second Reading.

Debate resumed from the 18th June.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [8.26]: Usually I find myself in agreement with the views of Sir Charles Nathan but in this instance I am unable to subscribe to the suppositions and fears which he set forth in his qualified approval of the Bill. Sir Charles was very severe in his criticism of many of the provisions in the Bill, and whilst I recognise that he has a wide knowledge of the hire-purchase system of business, I cannot agree with him that the Bill is one that could well be referred to a select committee. I can see nothing in the Bill requiring that course of action. It is a plain Bill of clear and intelligible language, and as most hon. members have had experience of the hire-purchase system, they should know where the shoe pinches and for that reason they should be particularly capable of discussing and deciding the merits of the measure.

Hon. members must not forget that beggared purchasers have already justified the introduction of this Bill and that the measure has reached us directly as a result of the actions of unscrupulous vendors. Those vendors are mostly located in Perth and if evidence is to be taken here, then I am afraid that purchasers will not have the same opportunity of putting forward their views as the vendors and I think, if we are to be guided by evidence in such circumstances in the framing of the legislation, purchasers will be left in a worse plight than they are in at present.

Hon. J. Nicholson: Why so? Not at all!

The MINISTER FOR COUNTRY WATER SUPPLIES: How could you get all those purchasers in the country to give evidence in the city?

Hon. J. Nicholson: We will get them down all right.

The MINISTER FOR COUNTRY WATER SUPPLIES: You will not.

Hon. J. Nicholson: Then the select committee could go to them in the country.

The MINISTER FOR COUNTRY WATER SUPPLIES: I like that! The Bill has been drafted by an impartial law officer, and let me emphasise that impartiality is of serious moment in the matter. In framing the Bill, the draftsman has been advantaged by a thorough knowledge of the methods of this mode of business, and in the main we should accept his advice in legislating for the suppression of the grave abuses which have arisen. Admittedly there are many reputable firms engaged in this class of business, but we have yet to learn that in the past the vendors have extended any consideration to purchasers in the way of equity in cases of re-possession. That phase of the question was not even touched on in another place, and to me it is regrettable that such evidence has not been put forward.

Hon. J. Nicholson: That could be done by the select committee; that will be one of the advantages.

The MINISTER FOR COUNTRY WATER SUPPLIES: Whilst I agree with Sir Charles that there are many reputable firms handling the hire-purchase class of business, I know, as a country member, that there are some sleek individuals in the trade and that some of them, possessed of the beady eyes of vultures, have watched and are still watching the dying struggles of farmers for the favourable moment to swoop down on machinery on which, in many instances, the men on the land have paid hundreds of pounds. That class of person has done incalculable harm to all engaged in the business. Of the moral injustice and utter unfairness of the procedure adopted by the guilty individuals there can be no two opinions, and therefore the Government have proposed this Bill for the regulation of the hire-purchase system of purchase, and strangely there is some opposition to it even though the initiation of action under it is solely in the hands of the vendors.

That is the outstanding feature of the Bill and therefore the reputable firms, to whom the State is indebted, have nothing to fear in the operation of the proposed legislation. In face of that particular consideration to the vendors some members think the matter ought to be investigated by a select committee. There has been too much seething discontent in the country for that method of procedure, and personally I believe that members would be well advised to debate the subject on the floor of the House.

The DEPUTY PRESIDENT: The remarks of the Minister would be more appropriate if a motion for sending the Bill to a select committee had been actually moved. No such motion has been moved.

The MINISTER FOR COUNTRY WATER SUPPLIES: But several speakers have suggested the sending of the Bill to a select committee, and since I am convinced that course would be unwise I am trying to persuade them from it.

The DEPUTY PRESIDENT: The Minister may be trying to influence something that may not arise.

The MINISTER FOR COUNTRY WATER SUPPLIES: Sir Charles Nathan claimed that there were obligations on the other side which should be equally fulfilled. That is the endeavour of the Bill, even though that aspect has been overlooked in the past by vendors. Sir Charles maintained that Clause 5, which attempts to protect the equity of a purchaser, leaves an opening not only for fraud or dishonest practices but for litigation which might easily assume very large proportions. On looking into that statement I can find no fault in the avenue of relief for the plucked purchasers as provided for in Clause 5. On the other hand, I am sure that a dose of the medicine of litigation will correct the views of unwanted persons in the business and sweep away the abuses complained of. Also the honourable gentleman believes that the Bill will absolutely break down of its own weight. Presumably he thinks that it will wipe out the system of hire purchase. Well, if it does, then I for one will not be sorry that the avenue of the exploitation of purchasers has been closed to the questionable individuals who have brought discredit on the hire purchase system of business.

The definition of "chattel" in the Bill has been criticised by Sir Charles Nathan. If he

will look at Section 54 of the Bills of Sale Act, as amended, he will see that the definition was suggested from that definition. In that regard, it is reasonable to suppose the chattels referred to in Section 54 and its amendments were such as were commonly sold under hire-purchase agreements, though it was not thought necessary to include the chattels referred to in the 1927 amendment of the Bills of Sale Act when the definitiion under that Act was enlarged to include the words "or electrical appliances, or apparatus of any nature or kind used wholly or in part for household purposes." No doubt that explanation will satisfy Sir Charles' inquiry under that head. Regarding Clause 5, I am informed by the draftsman that it is not necessary expressly to empower the vendor to offer the repossessed chattel for sale by public auction, for his powers over the chattel are those of an owner and he can sell it at any time by public auction or private contract. Furthermore, I am told that the result of a sale would be evidence, but not conclusive evidence, of the value, and it would be taken into consideration by the magistrate together with any other evidence submitted by either party. It might be advisable to empower the magistrate, in case the chattel was undisposed of at the time of the hearing, to order a sale by auction; but even in that case the result of the auction would not be conclusive evidence as to the value.

Sir Charles' objection to the magistrate deciding the case because he is not an expert is, I submit, unreasonable. No one objects to a judge giving a decision on the value of land and buildings because he is not an expert valuer. In fact to demand that a judge or magistrate should be an expert in every subject which he may have to consider is to demand the impossible; and to require for the valuation of every chattel the services of an impartial expert possessing a thorough knowledge of that kind of chattel, would load the proceedings with unwarrantable extra expense. The hon. member also suggested that a purchaser might in some cases find himself in a worse position under this Bill than he would be in without it. The answer to that contention is that it is for the purchaser to invoke the protection of the Bill, and unless he asks for the account mentioned in subclause (1) of Clause 5, the provisions of that clause will not affect him. A further suggestion by Sir Charles is that a purchaser might obtain the benefit of Clause 5 by returning the chattel to the vendor. That is not intended, and to guard against such a construction it would be as well to insert after "shall" in the first line of Clause 5 the words "(except by the request or at the instance of the purchaser)." I will move in that direction when the Bill is in Committee. Dealing with the retrospective aspect and Sir Charles' remarks in that regard, the general rule is that a statute is prima facie prospective and does not interfere with existing rights unless it contains clear words to that effect, or unless, having regard to its objects, it necessarily does so. Personally I am of the opinion that the Bill as it now stands is not retrospective in application.

Hon. J. Nicholson: Then there should be no objection to inserting a clause to that effect.

The MINISTER FOR COUNTRY WATER SUPPLIES: The account provided for in Clause 5 does not, as pointed out in my previous speech, attempt to allow a strictly mathematical discount on instalments that have not accrued due, but it allows a deduction which will work substantial justice. Any advantage that might arise from calculating the discount in each case with meticulous accuracy would not be worth the trouble and expense involved. Mr. Drew's interest and examination of a Bill are always welcome. He suggested that a purchaser might attempt to utilise the provisions of the Act in the case of a vendor taking possession of a chattel for the purpose of repair. That weakness in the Bill will be overcome if the House, when in Committee, approves of my amendment for the insertion after the word "shall" in the first line of subclause (1) of Clause 5 of the words "(except by the request or at the instance of the purchaser)." If, in the opinion of the hon. member, the insertion of those words will not meet the position, then the amendment he has in mind can be taken into consideration. Also, if the hon. gentleman thinks the Bill should contain a direction to the effect that vendor and purchaser should endeavour mutually to agree as to the value of the chattel when repossessed, I am prepared to consider a proposal along those lines, although I do not think it necessary to make such a provision. It seems to me the existence of the Act will naturally

bring about conversations between the vendor and the purchaser, and therefore it appears unnecessary to concern ourselves with that aspect. I agree with Mr. Drew that misunderstanding might arise by the retention of the words "piece of" in the interpretation clause, and when the Bill is in Committee I will move for the deletion of those words.

If, as mentioned by Mr. Wittenoom, there is a campaign on the part of vendors to repossess farming machinery on which payments are owing, then the vendors are acting foolishly and I am afraid they are furnishing very good reasons for the adoption of Mr. Kempton's proposed amendment that the provisions of the Bill should be retrospective. I am opposed to retrospective legislation, but if seizures are taking place I shall be reluctantly compelled to reconsider my attitude in that connection. Concerning the remarks of Mr. Harris on the interpretation of "Chattel;" provision is made in Section 54 of the existing Bills of Sale Act as printed in the 1925 Statutes for the exclusion from the Bills of Sale Act of certain articles which come under an agreement for hire with or without the right of purchase, and all the items enumerated in Clause 2 of the Bill are contained therein. Section 54 of the 1925 Bills of Sale Act reads—

> Nothing in this Act contained shall apply to any agreement for the hire with or without a right of purchase, of any household furniture, tools of trade, sewing machine, piano, musical instruments, bicycle, cash registers, billiard tables and accessories, implements, machines, machinery, engines, vehicles and appliances used wholly or in part for agricultural or pastoral purposes, typewriter, or gas, electric light, or water meter.

In 1925 some amendments were made to the Bills of Sale Act and sewing machines were included purposely as coming under hire-purchase agreements, and were excluded from the Bills of Sale Act. The intention of the Government was to introduce a measure that would control all those items purposely removed from the Bills of Sale Act, either with or without the right of purchase. In that connection it would be wrong in principle to introduce legislation that would control portion only of the items for which agreements are made, and to exclude other items perhaps less important. The hon. member drew attention to the application of the Bill to billiard tables. In that regard there is an instance where a crippled soldier purchased a billiard table under hire-purchase agreement, and it is regrettable to say that the table was repossessed just prior to the completion of the balance of purchase money on account of one or two instalments being in arrears. In the event of repossession, the Bill of course provides that if there is an equity in the machine or other article, it shall revert to the purchaser if he is entitled to it, and if that principle be right for any one class of machine, then it must apply to all hire-purchase agreements.

Usually in legislation of this kind, principles are dealt with and in this instance if hire-purchase agreements are harsh or if they are not equitable, it is the duty of the Government to introduce amending legislation to remedy the injustices. Surely then when dealing with a question of principle of such legislation, it is necessary to include the whole of the articles coming under hire-purchase agreements, and not with a portion of them only. There is no provision, as the hon. member suggests, for the submission of a repossessed machine to be sold by auction. The idea underlying the proposed legislation is that a value shall be arrived at between the vendor and the purchaser on the former repossessing a machine. The only question the magistrate has to determine is whether the value offered by the vendor or asked for by the purchaser is a fair and reasonable one, and he will determine that question on the evidence submitted to him. Judges, magistrates or other officers administering the laws in the State are not experts in many of the things done by them, and therefore if they are capable of adjudicating fairly and with justice in one class of legislation surely they can be trusted with other classes of legislation. The Government do not anticipate any of the trouble which the hon. member has foreshadowed if the Bill becomes law.

Question put and passed.

Bill read a second time.

To refer to Select Committee.

HON. H. SEDDON (North-East) [8.44]: I move—

> That the Bill be referred to a select committee consisting of the Hon. J. Nicholson, the Hon. W. J. Mann, Hon. E. H. Hall, Hon. E. H. Gray, and the mover; that such committee have power to call for persons, papers and records; to sit on days over which the

House stands adjourned and to report on Tuesday, 7th July.

HON. C. B. WILLIAMS (South) [8.45]: I agree for once with the Leader of the House. It is nearly time this Parliament was able to do something for the people it represents without referring everything to a select committee. It appears to me to be rather an indictment of the Parliamentary system that no matter what question is brought forward, particularly one designed to meet the urgent needs of a section of the people—outside the unemployed workers, the farmers are most in need of speedy relief—it has to be referred to a select committee.

Hon. H. J. Yelland: Will not a select committee be able to get the necessary evidence?

Hon. C. B. WILLIAMS: Why are we elected to Parliament? Have not we who are not to be members of the select committee as many brains as those who have been nominated for the committee? Why should the time of the State be wasted by referring this question to five members out of 30?

Hon. W. J. Mann: Do not talk about wasting time.

The DEPUTY PRESIDENT: The inference is that the select committee will be wasting time. I do not think the hon. member intended that, but I ask him to withdraw the statement.

Hon. C. B. WILLIAMS: I withdraw. If every member spoke as briefly and wasted as little time as I do, the cost of Parliament to the State would be considerably reduced. I regard the move to refer this matter to a select committee as a sheer waste of time. If the House thinks it necessary that the farmers should be given redress, as I consider they should be, they are entitled to have it at once. I shall vote against the motion.

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

Ayes	14
Noes	6
Majority for	8

AYES.

Hon. F. W. Allsop	Hon. Sir C. Nathan
Hon. J. M. Drew	Hon. J. Nicholson
Hon. J. Ewing	Hon. E. Rose
Hon. J. T. Franklin	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. C. H. Wittenoom
Hon. G. A. Kempton	Hon. H. J. Yelland
Hon. W. J. Mann	Hon. Sir W. Lathlain (*Teller.*)

NOES.

Hon. C. F. Baxter	Hon. E. H. Harris
Hon. G. Fraser	Hon. G. W. Miles
Hon. V. Hamersley	Hon. C. B. Williams (*Teller.*)

Question thus passed.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 17th June.

HON. H. J. YELLAND (East) [8.51]: I do not propose to traverse the ground that has already been covered in the debate, but there are one or two features that it is advisable to mention.

Hon. C. B. Williams: Do you want another select committee on this Bill?

Hon. H. J. YELLAND: I congratulate the Government upon having introduced this legislation in the earlier part of the session. The Act has been in operation for six months and has produced some good results, although there has been some dissatisfaction on the part of farmers who have been forced to come under the protection of the Act. The object has been to assist the farmers rather than the creditors. One might emphasise the fact that it was intended to assist the primary producers and primary production generally, rather than the creditors who have taken such a prominent part. The last six months have proved that the Act has operated not only to the benefit of the individual, but to the benefit of the industry, for it has enabled a number of farmers to remain on their holdings, and a considerable area of land that would otherwise not have been cultivated has been put under crop. Owing to the sudden depression that has overtaken us, rural land particularly has depreciated far below what was ever anticipated, and many owners have been placed in a condition of insolvency. If it had been a matter of proceedings being taken under the Federal Bankruptcy Act, a large proportion of the farmers would have been driven off their holdings or would have had to work under a trustee at enormous cost, and this, added to the expense of running the farm, as well as the low prices for commodities, would have made the position far more serious than it is to-day. The Act has relieved farmers in difficulty of much expense that would have been inevitable had the debtors been placed under the Bankruptcy Act. There are two kinds of creditors that figure in

the affairs of primary producers—the secured creditors and the unsecured creditors. The debts of many unsecured creditors have arisen through farmers buying too much machinery under hire-purchase agreements. The payment of instalments has been postponed, with the result that the machines are in a second-rate if not useless condition, and the farmers find themselves with depreciated land and with liabilities far in excess of the value of their properties.

Hon. J. Nicholson: The storekeeper is also an unsecured creditor.

Hon. H. J. YELLAND: He is the unsecured creditor who is hardest hit. Other unsecured creditors include those who have supplied such articles as fertilisers and bags on credit. Those commodities have been utilised and there is no chance of repossessing them. The value of properties on which the banks previously advanced to the limit of, say, 50 per cent. has, with the sudden depreciation, dwindled to somewhere in the region of the limit. Consequently the banks have security equal only to the full amount of the advances they have made. In some instances the depreciation has been so great that the advances exceed the present value of the holdings. I venture to say that, if the properties now being worked were placed on the market, they would not realise anything like the amount of money advanced on them by the Agricultural Bank and the Associated Banks. That being so, the farming industry as a whole is in a state of insolvency, and action was necessary to help the farmers through the difficulty. Everyone will admit that the Act has proved beneficial and has accomplished good service for the industry. While the Act has been remarkably beneficial and the administration on the whole has been good, a number of complaints have been voiced. I wondered why those complaints were made. It is useless to deal with individual complaints, but in order to get to the root of the matter, we must ascertain why complaints generally were made. I have discovered that Section 5 of the Act was largely responsible for the difficulties that have arisen. If the debtor himself has come under the provisions of the Act, he is satisfied to take whatever is forced upon him by the creditors. He has been responsible for bringing his creditors together and he is prepared to accept what they offer, because they in their turn are going to give him some latitude and allow him to carry on. If, on the other hand, the creditors have forced him to come under the provisions of the Act and have been responsible for the issuing of a stay order, the farmer is inclined to regard them as a section of the community who are his enemies. He is determined to oppose anything they put forward, and to feel aggrieved at any restrictions they are likely to impose upon him. For that reason I got into touch with quite a number of rural traders, who had to make arrangements to come under the Act. I found in every case that when they went under the Act of their own free will they thought it was the very thing for the farmer if he could only take advantage of it. On the other hand every farmer who was forced under the Act expressed an entirely opposite opinion.

Hon. Sir William Lathlain: What was sauce for the goose was not sauce for the gander.

Hon. H. J. YELLAND: Quite so. It seems to me that if it is possible to get men working freely under the Act, and anxious to do their best, the greatest results are likely to be achieved. For that reason I have suggested an amendment to Clause 5, and have had it placed upon the Notice Paper. It may be interesting to members to learn what some farmers have to say in this connection. I sent out a questionaire to a number of farmers asking them if they voluntarily placed themselves under the Farmers' Debts Adjustment Act, what assistance they had received, if they had been hampered in the successful working of their farms, if they had been called to Perth for meetings, and if so, how many times, and if they considered the Act, in its present form, of service to them. I found that when they were forced under the Act they said it was of no use to them, but when they came under it voluntarily they were satisfied that it was just the thing they wanted to carry them through. We are in a quandary, and the psychological position appeals to me. If we use the psychology of the situation and let these men come under the Act of their own free will, it will be better for them, better for the creditors, and better for the industry. That is the reason I have suggested the amendment. One man has written rather fully. This is a

sample of quite a number of the replies I have received. He said—

My case is roughly as follows:—The bank was carrying me on and the merchants seemed satisfied. It was a shock to see my name in the stay order list.

That was the first time he knew he was placed under the stay order.

My meeting took place early in February. The bank submitted a proposal which to me was very satisfactory, but one firm would not agree. I saw them, and their reason was that the bank was too hard on the merchants. I told them while they were fighting the banks, we were suffering.

That was reasonable. The banks were the secured creditors.

I showed them that the bank had to carry us on as the merchant could not. The meeting was postponed. I could not afford the time or money at seeding time to attend, and the next meeting was also postponed through the one firm.

That firm objected to the farmer being allowed to carry on, and he was therefore compelled to come under the stay order.

I saw the manager of the Bank of New South Wales, in Perth. He said they wanted to free me of this order. I think five meetings altogether were held. Through the one firm I had to stay under the order . . . . So far as I am concerned the stay order has cost no end of money. I think each meeting cost about £10. I think one firm should not be allowed to put a farmer under a stay order; let them meet and do it by a majority . . . . If the firms are going to fight the banks every time, they should foot the bill and not the farmer, or appoint an umpire. Our expenses are heavy enough, also our troubles; while they are at loggerheads we are practically paralysed.

That seems to me the gist of the information I have been able to obtain from a number of these farmers. The letter came from a man who has been forced under the stay order. I also came into contact with a man who had a writ issued against him. He rushed to Perth to see what he could do. He was advised to take out a stay order. He did this voluntarily and defied the creditors to put him through the Bankruptcy Court. He maintains it is the finest Act ever passed. He is statisfied, and has been able to carry on without going through bankruptcy proceedings. Practically the whole of our agricultural industry is in a state of insolvency. Members will therefore see the necessity for keeping farmers upon the land in a state when they will work voluntarily and with a good heart. It has been shown that the banks are able to carry farmers on very much more satisfactorily than the trustees can. Very often the trustee is a bookkeeper who knows nothing about farming. When a bank advances money on a property it does so not so much upon the property as it does upon the man who is in charge of it. The bank takes into consideration whether the man is doing his work satisfactorily and is likely to make a success of it. These institutions are people who make a thorough investigation before advancing anything, and they know their clients better than their creditors do. I have reason to believe that if the banks were allowed to carry on the farmers in much the same way as they have done in the past, the time will come when we will see the industry restored to conditions that will allow us to carry on, and with reduced costs that will meet the reduced return. My amendment has been put forward in the effort to bring this about in the farming community. I have also suggested an amendment to Clause 13 (b), and this, too, appears on the Notice Paper. This makes provision that the director shall not have absolute authority and discretionary power, but that the final say shall be left in the hands of a judge, which is according to the principles of British justice. One or two speakers have considered this as emergency legislation requiring careful drafting and the utmost consideration. It is not a wise thing to give discretionary power to one individual. An appeal should be possible to a higher authority, and for that reason I have suggested the amendment. I express my appreciation of the work that has been done, and congratulate the Government on bringing down the Act. The small amendments that are before us in this Bill are only what one might have expected with the introduction of legislation of which we have had no experience in the past. I hope my amendments will receive consideration at the hands of members, and meanwhile I desire to support the second reading.

HON. SIR CHARLES NATHAN (Metropolitan-Suburban) [9.12]: I support the second reading so that I may have an opportunity to congratulate the House upon the wisdom which was shown when the Bill,

now the Act, was first referred to a select committee. When the first Bill came down to the House, members of all shades of opinion and thought, and representing all sections of the community, saw the danger with which it was surrounded. As a result of the deliberations of the select committee, the Bill was amended and the outcome has been one of the most useful pieces of legislation ever passed through this Chamber. The usefulness of the legislation has been increased tenfold by the capable manner in which it has been administered. I think there have been between 300 and 400 farmers brought under the Act. As a result of the methods which have been adopted, these men have been able to carry on their affairs at the least possible cost and with the least possible inconvenience. There have, of course, been cases of hardship, as indeed there must be. Some unfortunate men have become so involved that it is impossible for them to get any credit. So far as has been humanly possible this Act, which is only a skeleton, has provided means to enable men to get round their troubles by discussing matters at the table in a commonsense way, and by enabling the parties interested to put their heads together. In this way the interests of all, which are identical, have been considered, and it has been possible to carry the farmers along. But apart from those three or four hundred whom we know to be under the Act, the principle which was established, the method by which these men were brought together, is such that I am prepared to say—I believe, without exaggeration—that at least another 1,000 farmers were able to adjust their affairs with their creditors and bankers without having recourse to the Act at all. In that respect the parent measure has filled an undoubted want. Here we have a definite reason why Bills of this nature, which are capable of upsetting the ordinary lines of trade, commerce and security, should be subject to the most careful scrutiny by the House before they become law. I have listened with interest to the remarks of Mr. Yelland, but I cannot agree with him, because if we attempt to legislate so as to meet the peculiar psychology of every class with whom we are dealing, we shall soon be in deep waters. In legislating, as we must do, we should take into consideration what is fair and equitable to the one and to the other. Mr. Yelland was afraid that some prejudice might result if creditors were permitted to bring debtors under the provisions of the Act. He thought that matter should be left entirely to the discretion of the debtor. On the other hand, is not the hon. member afraid that that would of itself upset the psychology of the creditor, and tend to make him less amenable to common sense than he is under the Act as it stands? Apart from that, it is provided that the Director may in his discretion reject an application made by any creditor in that respect. So that, as a matter of fact, the full responsibility is on the Director. The creditor might want to bring the debtor under the Act, but the Director might refuse to allow it. In any case, I have merely made this an excuse or an opportunity for rising to say how much I personally, having watched the operation of the Act quite closely, appreciate the efforts of the Director in control. I feel sure that the amending legislation now proposed will only help to make the Act a much more workable measure, and will be of definite value to debtor and creditor alike.

On motion by Hon. E. H. H. Hall, debate adjourned.

House adjourned at 9.18 p.m.

Legislative Assembly,

Tuesday, 23rd June, 1931.

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