



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 22, 1938
Tuesday, 31 May 1938

FIFTEENTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

FIFTEENTH PARLIAMENT—FIRST SESSION : FIRST PERIOD.

GOVERNOR-GENERAL.

His Excellency Brigadier-General the Right Honorable Alexander Gore Arkwright, Baron Gowrie, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Honorable Order of the Bath, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Victoria Cross, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia.

ADMINISTRATOR.

His Excellency Captain the Right Honorable William Charles Arcedeckne, Baron Huntingfield, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor of the State of Victoria, was appointed on 29th March, 1938, under Dormant Commission dated 24th April, 1936, to Administer the Government of the Commonwealth during the absence from Australia of His Excellency the Governor-General.

LYONS GOVERNMENT.

(FROM 29TH NOVEMBER, 1937.)

Prime Minister	The Right Honorable Joseph Aloysius Lyons, C.H.
Minister for Commerce and Minister for Health	The Right Honorable Sir Earle Christmas Grafton Page, G.C.M.G. (The Honorable Archie Galbraith Cameron, Acting Minister for Commerce and Acting Minister for Health on and from 23rd March, 1938)
Attorney-General and Minister for Industry	The Right Honorable Robert Gordon Menzies, K.C. (The Honorable Alexander John McLachlan, Acting Attorney-General and Acting Minister for Industry on and from 23rd March, 1938)
Minister for External Affairs, Minister in Charge of Territories, and Vice-President of the Executive Council	The Right Honorable William Morris Hughes, K.C.
Postmaster-General	Senator the Honorable Alexander John McLachlan
Minister for Trade and Customs .. .	The Honorable Thomas Walter White, D.F.C., V.D. (The Honorable Arthur John Perkins, Acting Minister for Trade and Customs on and from 23rd March, 1938)
Treasurer and Minister in Charge of Development and Scientific and Industrial Research	The Honorable Richard Gardiner Casey, D.S.O., M.C.
Minister for Defence	The Honorable Harold Victor Campbell Thorby
Minister for the Interior	The Honorable John McEwen
Minister for Repatriation and Minister in Charge of War Service Homes	Senator the Honorable Hattie Spencer Foll
Minister without portfolio assisting the Minister for Trade and Customs, and representing the Postmaster-General in the House of Representatives	The Honorable John Arthur Perkins
Minister without portfolio assisting the Minister for Commerce	Senator the Honorable Allan Nicoll MacDonald
Minister without portfolio assisting the Treasurer, from 27th April, 1938, assisting the Minister for the Interior, and representing the Minister for Repatriation in the House of Representatives	The Honorable Victor Charles Thompson
Minister without portfolio assisting the Minister for Commerce	The Honorable Archie Galbraith Cameron

(For designations of Ministers prior to 29th November, 1937, see preface to Volume 154.)

On the 20th November, 1937, the Right Honorable Joseph Aloysius Lyons, C.H., was appointed Minister for Defence vice the Honorable Sir Robert Archdale Parkhill, K.C.M.G., resigned, and held office till the 29th November, 1937.

THE MEMBERS OF THE SENATE.

FIFTEENTH PARLIAMENT—FIRST SESSION : FIRST PERIOD.

(To 30TH JUNE, 1938.)

President—Senator the Honorable Patrick Joseph Lynch.

Chairman of Committees—Senator Burford Sampson, D.S.O., V.D.

Temporary Chairmen of Committees—Senators the Honorable James Cunningham, Adam Kemball Dein, Charles William Grant, John Blyth Hayes, and James McLachlan.

Leader of the Opposition—Senator Joseph Silver Collings.

Deputy Leader of the Opposition—Senator Gordon Brown.

Leader of the Country Party in the Senate—Senator Charles Hardy.

Abbott, Macartney	New South Wales
(¹)Ashley, William Patrick	New South Wales
(¹)Badman, Albert Oliver	South Australia
Brand, Charles Henry, C.B., C.M.G., C.V.O., D.S.O.	Victoria
Brennan, Hon. Thomas Cornelius, K.C.	Victoria
Brown, Gordon	Queensland
Collett, Herbert Brayley, C.M.G., D.S.O., V.D.	Western Australia
Collings, Joseph Silver	Queensland
Cooper, Walter Jackson, M.B.E.	Queensland
(²)Courtice, Benjamin	Queensland
Cox, Charles Frederick, C.B., C.M.G., D.S.O., V.D.	New South Wales
Crawford, Hon. Thomas William	Queensland
(³)Cunningham, Hon. James	Western Australia
Dein, Adam Kemball	New South Wales
Duncan-Hughes, John Grant, M.V.O., M.C.	South Australia
Foll, Hon. Hattil Spencer	Queensland
Gibson, Hon. William Gerrard	Victoria
Grant, Charles William	Tasmania
Guthrie, James Francis	Victoria
Hardy, Charles	New South Wales
Hayes, John Blyth, C.M.G.	Tasmania
Hays, Hon. Herbert	Tasmania
Johnston, Edward Bertram	Western Australia
Leckie, John William	Victoria
Lynch, Hon. Patrick Joseph	Western Australia
MacDonald, Hon. Allan Nicoll	Western Australia
(²)McBride, Phillip Albert Martin	South Australia
McLachlan, Hon. Alexander John	South Australia
McLachlan, James	South Australia
McLeay, George	South Australia
Massy-Greene, Hon. Sir Walter, K.C.M.G.	New South Wales
Millen, John Dunlop	Tasmania
Payne, Herbert James Mockford	Tasmania
Pearce, Rt. Hon. Sir George Foster, K.C.V.O.	Western Australia
Plain, William	Victoria
Sampson, Burford, D.S.O., V.D.	Tasmania
Uppill, Oliver	South Australia

(¹) Resignation reported 30th November, 1937.

(²) Chosen by State Parliament; sworn 30th November, 1937.

(³) Elected to fill casual vacancies; sworn 30th November, 1937.

(FROM 1ST JULY, 1938.)

President—Senator the Honorable John Blyth Hayes, C.M.G.

Chairman of Committees—Senator James McLachlan.

Leader of the Opposition—Senator Joseph Silver Collings.

Temporary Chairmen of Committees—Senators the Honorable James Cunningham, Adam Kemball Dein, and Charles William Grant.

Abbott, Macartney	New South Wales
Amour, Stanley Kerin	New South Wales
Armstrong, John Ignatius	New South Wales
Arthur, Thomas Christopher	New South Wales
Ashley, William Patrick	New South Wales
Aylett, William Edward	Tasmania
Brand, Charles Henry, C.B., C.M.G., C.V.O., D.S.O.	Victoria
Brown, Gordon	Queensland
Cameron, Donald	Victoria
Clothier, Robert Ernest	Western Australia
Collett, Herbert Brayley, C.M.G., D.S.O., V.D.	Western Australia
Collings, Joseph Silver	Queensland

THE MEMBERS OF THE SENATE—*continued.*

vii

FIFTEENTH PARLIAMENT—*continued.*

Cooper, Walter Jackson, M.B.E.	Queensland
Courtice, Benjamin	Queensland
Crawford, Hon. Thomas William	Queensland
Cunningham, Hon. James	Western Australia
Darcy, Richard	Tasmania
Dein, Adam Kemball	New South Wales
Foll, Hon. Hattie Spencer	Queensland
Fraser, James Mackintosh	Western Australia
Gibson, Hon. William Gerrand	Victoria
Grant, Charles William	Tasmania
Hayes, Hon. John Blyth, C.M.G.	Tasmania
Hays, Hon. Herbert	Tasmania
Johnston, Edward Bertram	Western Australia
Keane, Richard Valentine	Victoria
Lamp, Charles Adcock	Tasmania
Leckie, John William	Victoria
McBride, Philip Albert Martin	South Australia
MacDonald, Hon. Allan Nicoll	Western Australia
McLachlan, Hon. Alexander John	South Australia
McLachlan, James	South Australia
McLeay, George	South Australia
Uppill, Oliver	South Australia
Wilson, Keith Cameron	South Australia

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

FIFTEENTH PARLIAMENT—FIRST SESSION : FIRST PERIOD.

Speaker—The Honorable George John Bell, C.M.G., D.S.O., V.D.

Chairman of Committees—John Henry Prowse.

Temporary Chairmen of Committees—Thomas Joseph Collins, Arthur William Fadden, John Norman Lawson, Norman John Oswald Makin, George William Martens, Walter Maxwell Baird, John Lloyd Price, and John Solomon Rosevear.

Leader of the Opposition—John Curtin.

Deputy Leader of the Opposition—The Honorable Francis Michael Forde.

Leader of the Country Party—The Right Honorable Sir Earle Christmas Grafton Page, G.C.M.G.

Deputy Leader of the Country Party—The Honorable Harold Victor Campbell Thorby.

Anthony, Hubert Lawrence	Richmond (N.S.W.)
Badman, Albert Oliver	Grey (S.A.)
Baker, Francis Matthew John	Griffith (Q.)
Barnard, Herbert Claude	Bass (T.)
Beasley, Hon. John Albert	West Sydney (N.S.W.)
Bell, Hon. George John, C.M.G., D.S.O., V.D.	Darwin (T.)
Blackburn, Maurice McCrae	Bourke (V.)
Blain, Adair Macalister	(N.T.)
Brennan, Hon. Frank	Batman (V.)
Cameron, Hon. Archie Galbraith	Barker (S.A.)
Casey, Hon. Richard Gardiner, D.S.O., M.C.	Corio (V.)
Clark, Joseph James	Darling (N.S.W.)
Collins, Thomas Joseph	Hume (N.S.W.)
Corser, Bernard Henry	Wide Bay (Q.)
Curtin, John	Fremantle (W.A.)
Drakeford, Arthur Samuel	Maribyrnong (V.)
Fadden, Arthur William	Darling Downs (Q.)
Fairbairn, James Valentine	Flinders (V.)
Forde, Hon. Francis Michael	Capricornia (Q.)
Francis, Hon. Josiah	Moreton (Q.)
Frost, Charles William	Franklin (T.)
Gander, Joseph Herbert	Reid (N.S.W.)
Gardner, Sydney Lane	Robertson (N.S.W.)
Green, Hon. Albert Ernest	Kalgoorlie (W.A.)
Gregory, Hon. Henry	Swan (W.A.)
Gullett, Hon. Sir Henry Somer, K.C.M.G.	Henty (V.)
Harrison, Hon. Eric John	Wentworth (N.S.W.)
Hawker, Hon. Charles Allan Seymour	Wakefield (S.A.)
Holloway, Hon. Edward James	Melbourne Ports (V.)
Holt, Harold Edward	Fawkner (V.)
Hughes, Rt. Hon. William Morris, K.C.	North Sydney (N.S.W.)
Hunter, Hon. James Aitchison Johnston	Maranoa (Q.)
Hutchinson, William Joseph	Deakin (V.)
James, Rowland	Hunter (N.S.W.)
Jennings, John Thomas	Watson (N.S.W.)
Jolly, William Alfred, C.M.G.	Lilley (Q.)
Lane, Albert	Barton (N.S.W.)
Lawson, George	Brisbane (Q.)
Lawson, John Norman	Macquarie (N.S.W.)
Lazzarini, Hubert Peter	Werriwa (N.S.W.)
Lyons, Rt. Hon. Joseph Aloysius, C.H.	Wilmot (Tas.)
Mahoney, Gerald William	Denison (T.)
Makin, Norman John Oswald	Hindmarsh (S.A.)
Maloney, William	Melbourne (V.)
Marr, Hon. Sir Charles William Clanan, K.C.V.O., D.S.O., M.C., V.D.	Parkes (N.S.W.)
Martens, George William	Herbert (Q.)
McCall, William Victor	Martin (N.S.W.)
McEwen, Hon. John	Indi (V.)
Menzies, Rt. Hon. Robert Gordon, K.C.	Kooyong (V.)
Mulcahy, Daniel	Lang (N.S.W.)
Nairn, Walter Maxwell	Perth (W.A.)
Nock, Horace Keyworth	Riverina (N.S.W.)
(¹)Page, Rt. Hon. Sir Earle Christmas Grafton, G.C.M.G.	Cowper (N.S.W.)
Paterson, Hon. Thomas	Gippsland (V.)
Perkins, Hon. John Arthur	Eden-Monaro (N.S.W.)

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES—*continued.*

ix

FIFTEENTH PARLIAMENT—*continued.*

Pollard, Hon. Reginald Thomas	Ballaarat (V.)
Price, John Lloyd	Boothby (S.A.)
Prowse, John Henry	Forrest (W.A.)
Rankin, George James, D.S.O., V.D.	Bendigo (V.)
Riordan, William James Frederick	Kennedy (Q.)
Rosevear, John Solomon	Dalley (N.S.W.)
Scholfield, Thomas Hallett, M.C., M.M.	Wannon (V.)
Scullin, Rt. Hon. James Henry	Yarra (V.)
Scully, William James	Gwydir (N.S.W.)
Sheehan, Thomas	Cook (N.S.W.)
Spender, Percy Claude, K.C.	Warringah (N.S.W.)
Stacey, Fred Hurtle	Adelaide (S.A.)
Stewart, Hon. Sir Frederick Harold	Parramatta (N.S.W.)
Street, Geoffrey Austin, M.C.	Corangamite (V.)
Thompson, Hon. Victor Charles	New England (N.S.W.)
Thorby, Hon. Harold Victor Campbell	Calare (N.S.W.)
Ward, Edward John	East Sydney (N.S.W.)
Watkins, David Oliver	Newcastle (N.S.W.)
White, Hon. Thomas Walter, D.F.C., V.D.	Balaclava (V.)
Wilson, Alex	Wimmera (V.)

THE COMMITTEES OF THE SESSION. (FIRST PERIOD.)

JOINT.

HOUSE.—The President (Chairman), Senator Brand, Senator Brown, Senator Cooper, Senator Cunningham, Senator Grant and Senator Uppill, Mr. Speaker, Mr. Badman, Mr. Baker, Mr. Clark, Mr. Gardner, Mr. Hutchinson, and Mr. James.

LIBRARY.—The President, Senator Collett, Senator Collings, Senator Dein, Senator Duncan-Hughes (to 30th June), Senator James McLachlan, and Senator Millen (to 30th June), Mr. Speaker, Mr. Brennan, Mr. Fadden, Mr. Holt, Mr. John Lawson, Mr. Lazzarini, and Mr. Riordan.

PRINTING.—Senator J. B. Hayes (Chairman, to 30th June), Senator Ashley, Senator Courtice, Senator Cox (to 30th June), Senator Hardy (to 30th June), Senator Leckie, and Senator McBride, Mr. Anthony, Mr. Barnard, Mr. Gander, Mr. Jennings, Mr. McCall, Mr. Stacey, and Mr. Watkins.

PUBLIC WORKS.—Mr. Francis (Chairman), Senator Brand, Senator Brown, Senator Cooper, Mr. Collins, Mr. Frost, Mr. Holloway, Mr. Nairn, and Mr. Price.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Collings, Senator Crawford, Senator Gibson, Senator Guthrie (to 30th June), Senator Payne (to 30th June), Senator Plain (to 30th June), and Senator Uppill.

REGULATIONS AND ORDINANCES.—Senator McLeay (Chairman), Senator Ashley, Senator Collett, Senator Cooper, Senator Courtice, Senator Cunningham, and Senator Duncan-Hughes (to 30th June).

STANDING ORDERS.—The President (Chairman), The Chairman of Committees, Senator Brown, Senator Crawford, Senator Hardy (to 30th June), Senator Herbert Hays, Senator Johnston, Senator A. J. McLachlan, and Senator Plain (to 30th June).

HOUSE OF REPRESENTATIVES.

STANDING ORDERS.—Mr. Speaker (Chairman), the Chairman of Committees, the Leader of the Opposition, Mr. Beasley, Mr. Blackburn, Mr. Makin, Mr. Menzies, Mr. Nairn, and Sir Earle Page.

THE ACTS OF THE SESSION.

(FIRST PERIOD.)

ASHMORE AND CARTIER ISLANDS ACCEPTANCE ACT 1938 (No. 11 of 1938)—

An Act to amend the *Ashmore and Cartier Islands Acceptance Act 1933*.

APPROPRIATION ACT 1937-38 (No. 47 of 1937)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the Service of the year ending the thirtieth day of June One thousand nine hundred and thirty-eight, and to appropriate the Supplies granted by the Parliament for that year.

APPROPRIATION (WORKS AND SERVICES) ACT 1937 (No. 46 of 1937)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum of One hundred thousand pounds for the purposes of Expenditure on certain Works and Services.

AUSTRALIAN SOLDIERS' REPATRIATION ACT (No. 3) 1937 (No. 42 of 1937)—

An Act to amend Sections Twenty-two and Thirty-nine of the *Australian Soldiers' Repatriation Act 1920-1937*.

CANNED FRUITS EXPORT CHARGES ACT 1938 (No. 20 of 1938)—

An Act to amend the *Canned Fruits Export Charges Act 1926-1935*.

CANNED FRUITS EXPORT CONTROL ACT 1938 (No. 28 of 1938)—

An Act to amend the *Canned Fruits Export Control Act 1926-1935*.

CENSUS AND STATISTICS ACT 1938 (No. 17 of 1938)—

An Act to amend the *Census and Statistics Act 1905-1930*.

CITRUS FRUITS BOUNTY ACT 1938 (No. 22 of 1938)—

An Act to provide for the Payment of a Bounty on the Export of Citrus Fruits from the Commonwealth during the years One thousand nine hundred and thirty-eight, One thousand nine hundred and thirty-nine, and One thousand nine hundred and forty.

CUSTOMS TARIFF 1938 (No. 3 of 1938)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF (CANADIAN PREFERENCE) 1938 (No. 5 of 1938)—

An Act to amend the *Customs Tariff (Canadian Preference) 1934-1936*.

CUSTOMS TARIFF (EXCHANGE ADJUSTMENT) ACT 1938 (No. 4 of 1938)—

An Act to amend the *Customs Tariff (Exchange Adjustment) Act 1933-1936*.

DAIRY PRODUCE EXPORT CONTROL ACT 1938 (No. 18 of 1938)—

An Act to amend the *Dairy Produce Export Control Act 1924-1937*.

DRIED FRUITS EXPORT CONTROL ACT 1938 (No. 21 of 1938)—

An Act to amend the *Dried Fruits Export Control Act 1924-1937*.

EMPIRE AIR SERVICE (ENGLAND TO AUSTRALIA) ACT 1938 (No. 13 of 1938)—

An Act to ratify and authorize certain Agreements relating to the Empire Air Service between England and Australia, and for other purposes.

EXCISE TARIFF 1938 (No. 24 of 1938)—

An Act relating to Duties of Excise.

GENEVA CONVENTION ACT 1938 (No. 14 of 1938)—

An Act to enable effect to be given to Article Twenty-eight of the International Convention for the Amelioration of the Condition of the Wounded and Sick in Armies in the Field, signed at Geneva on the twenty-seventh day of July, One thousand nine hundred and twenty-nine, and for purposes connected therewith.

INCOME TAX COLLECTION ACT 1938 (No. 23 of 1938)—

An Act to amend the *Income Tax Collection Act 1923-1934*.

INVALID AND OLD-AGE PENSIONS APPROPRIATION ACT 1938 (No. 8 of 1938)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for Invalid and Old-age Pensions.

LOAN ACT 1937 (No. 45 of 1937)—

An Act to authorize the Raising and Expending of a certain Sum of Money.

LOAN ACT 1938 (No. 1 of 1938)—

An Act to authorize the Raising and Expending of a certain Sum of Money.

MATERNITY ALLOWANCE ACT 1937 (No. 44 of 1937)—

An Act to amend the *Maternity Allowance Act 1912-1936*.

MEAT EXPORT CONTROL ACT 1938 (No. 19 of 1938)—

An Act to amend the *Meat Export Control Act* 1935–1936.

NATIONAL HEALTH AND PENSIONS INSURANCE ACT 1938 (No. 25 of 1938)—

An Act to provide for Insurance against certain Contingencies affecting Employees, and the Wives, Children, Widows, and Orphans of Employees, and for other purposes.

NATIONAL HEALTH AND PENSIONS INSURANCE (EMPLOYEES' CONTRIBUTIONS) ACT 1938 (No. 27 of 1938)—

An Act to impose Liability upon Employees to make Contributions in respect of Insurance against certain Contingencies affecting Employees, and the Wives, Children, Widows, and Orphans of Employees.

NATIONAL HEALTH AND PENSIONS INSURANCE (EMPLOYERS' CONTRIBUTIONS) ACT 1938 (No. 26 of 1938)—

An Act to impose Liability upon Employers to make Contributions in respect of Insurance against certain Contingencies affecting Employees, and the Wives, Children, Widows, and Orphans of Employees.

NEW GUINEA LOAN GUARANTEE ACT 1938 (No. 16 of 1938)—

An Act to provide a Guarantee by the Commonwealth in respect of a Loan to be raised by the Administrator of the Territory of New Guinea to meet the Cost of certain Road Construction.

PARLIAMENTARY SALARIES ADJUSTMENT ACT 1938 (No. 2 of 1938)—

An Act to provide for the adjustment of the Salaries and Allowances of Ministers of State and of the Allowances of other Members of the Parliament, and for other purposes.

PASSPORTS ACT 1938 (No. 15 of 1938)—

An Act Relating to Passports.

RAW COTTON BOUNTY ACT 1938 (No. 6 of 1938)—

An Act to amend section fifteen of the *Raw Cotton Bounty Act* 1934–1935.

REPRESENTATION ACT 1938 (No. 9 of 1938)—

An Act to amend the *Representation Act* 1905.

SCIENCE AND INDUSTRY RESEARCH APPROPRIATION ACT 1938 (No. 7 of 1938)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of Two hundred and fifty thousand pounds for the purpose of Scientific and Industrial Research.

SEAT OF GOVERNMENT ACCEPTANCE ACT 1938 (No. 12 of 1938)—

An Act relating to the Territory for the Seat of Government.

SUPPLY ACT 1938–39 (No. 10 of 1938)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the Service of the Year ending the thirtieth day of June One thousand nine hundred and thirty-nine.

TRANSPORT WORKERS ACT 1937 (No. 43 of 1937)—

An Act to amend Section Twelve of the *Transport Workers Act* 1928–1929.

BILLS OF THE SESSION.

(FIRST PERIOD.)

CRIMES BILL. Initiated in Senate. Sent to House of Representatives; first reading.

DEFENCE (VISITING FORCES) BILL. Initiated in House of Representatives; second reading.

EXTRADITION BILL. Initiated in Senate. Sent to House of Representatives; second reading.

INTER-STATE COMMISSION BILL. Initiated in Senate. Sent to House of Representatives; second reading.

SALES TAX EXEMPTION BILL. Initiated in House of Representatives; second reading.

SUPPLEMENTARY APPROPRIATION BILL 1936–37. Initiated in House of Representatives; advanced to Committee stage.

SUPPLEMENTARY APPROPRIATION (WORKS AND BUILDINGS) BILL 1936–37. Initiated in House of Representatives; second reading.

THERAPEUTIC SUBSTANCES BILL. Initiated in House of Representatives; second reading.

THE PARLIAMENT CONVENED.

FIFTEENTH PARLIAMENT—FIRST SESSION.

(*Gazette* No. 66, 1937.)

The Parliament was convened by the following proclamation:—

PROCLAMATION.

Commonwealth of Australia to wit.
GOWRIE,
Governor-General.

By His Excellency Brigadier-General the Right Honorable Alexander Gore Arkwright, Baron Gowrie, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Honorable Order of the Bath, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Victoria Cross, the Governor-General and Commander-in-Chief in and over the Commonwealth of Australia.

WHEREAS by the Commonwealth of Australia Constitution Act it is amongst other things enacted that the Governor-General may appoint such times for holding the Sessions of the Parliament as he thinks fit:

NOW THEREFORE I, Alexander Gore Arkwright, Baron Gowrie, the Governor-General aforesaid, in exercise of the power conferred by the said Act, do by this my Proclamation appoint Tuesday, the thirtieth day of November, One thousand nine hundred and thirty-seven, as the day for the said Parliament to assemble and be holden for the despatch of divers urgent and important affairs: and all Senators and members of the House of Representatives are hereby required to give their attendance accordingly, in the building known as the Houses of Parliament, Canberra, at the hour of 10.30 o'clock a.m. on the said thirtieth day of November, One thousand nine hundred and thirty-seven.

Given under my Hand and the Seal of the Commonwealth of Australia aforesaid this tenth day of November in the year of our Lord One thousand nine hundred and thirty-seven, and in the first year of His Majesty's reign.

By His Excellency's Command,

J. A. LYONS, Prime Minister.

GOD SAVE THE KING!

CONTENTS

TUESDAY, 31 MAY 1938

CHAMBER

Question	
COUNT VON LUCKNER.....	1543
Question	
BANKING AND PETROL.....	1543
Question	
AIR PORTS IN MELBOURNE.....	1543
National Health And Pensions Insurance Bill	1543
Question	
MILK SUPPLY IN . FEDERAL CAPITAL TERRITORY	1543
Question	
PATROL BOAT LARRAKIA	1544
Question	
SUBSIDIZED SHIPPING IN THE PACIFIC	1544
Question	
NEWNES SHALE DEPOSITS	1544
Question	
WOOL DRAFT.....	1545
Question	
DESTRUCTION OF RABBITS	1545
Papers.....	1545
National Health And Pensions Insurance Bill 1938	
Second Reading.....	1545
Question	
SOCIAL INSURANCEIN NEW ZEALAND	1577
Adjournment.....	1585
 QUESTIONS IN WRITING	
Answers To Questions	1592

House of Representatives.

Tuesday, 31 May, 1938.

Mr. SPEAKER (Hon. G. J. Bell) took the chair at 3 p.m., and read prayers.

COUNT VON LUCKNER.

LECTURE IN KING'S HALL.

Mr. HARRISON.—What information are you, Mr. Speaker, able to give to the House regarding the statement of Captain R. Chapman, tour manager for famous artists and production agents, in Sydney yesterday, that Count von Luckner will lecture in King's Hall, Canberra, next Saturday before a select audience? Have you, sir, authorized the use of King's Hall for the purposes of this lecture?

Mr. SPEAKER.—So far I have heard nothing of the matter. If I do, I shall advise the honorable member.

Mr. JOHN LAWSON.—Will you, sir, give to honorable members the assurance that consent will not be given to Count von Luckner to address a meeting in King's Hall until Parliament has first been consulted concerning the proposal?

Mr. SPEAKER.—King's Hall will not be used for the purpose indicated unless I am first consulted.

BANKING AND PETROL.

DISCUSSION OF COMMISSIONS' REPORTS.

Mr. HOLLOWAY.—Will the Treasurer inform honorable members as to whether they will have an opportunity, before the termination of this period of the session, to discuss the reports of the Monetary and Banking Commission and the Petrol Commission?

Mr. CASEY.—I am unable, offhand, to give an assurance to the honorable gentleman, but I shall direct the attention of the Prime Minister to his request. There may be an opportunity for the discussion of the report of the Royal Commission on Monetary and Banking Systems, if the Government is able to bring down any part of its legislation in connexion with banking during the present sittings of the Parliament.

AIR PORTS IN MELBOURNE.

Mr. HOLT.—Will the Minister for Defence state whether it is a fact that yesterday he discussed with the Premier of Victoria the subject of air ports in Melbourne? If so, is he able to furnish any information as to the result of that discussion?

Mr. THORBY.—I had a conference with the Premier of Victoria relating to air ports in Melbourne. We discussed the necessity for making provision for the future, and it was agreed that the matter should be referred back to the experts of the Department of Defence, with a view to securing their advice on the advisability of improving Essendon in order to meet the future requirements of Melbourne, or of making other areas available, or of holding other areas in reserve. The Fishermen's Bend site was mentioned during the course of the discussion, and its claims will be very carefully considered.

NATIONAL HEALTH AND PENSIONS INSURANCE BILL.

Mr. BAKER.—The Treasurer is reported to have stated that he had obtained advice from the highest legal authorities in Australia in favour of the constitutional validity of the provisions of the National Health and Pensions Insurance Bill. Will the honorable gentleman give to the House the names of the legal authorities who thus advised him, and also state the particular terms in which the advice was couched?

Mr. CASEY.—I think you will agree, Mr. Speaker, that a question of this sort may best be dealt with during the debate on the National Health and Pensions Insurance Bill.

MILK SUPPLY IN FEDERAL CAPITAL TERRITORY.

Mr. SHEEHAN.—In view of evidence which was submitted in a recent libel action, regarding the presence of impurities in the milk supply of the Federal Capital Territory, will the Acting Minister for Health outline the present position and state what steps his department has taken to assure the public that it is receiving the best possible supply?

Mr. ARCHIE CAMERON.—A final decision in the matter of the milk supply of Canberra has not yet been made. I am not interested in what either party said concerning the other in the recent libel action.

PATROL BOAT *LARRAKIA*.

INCIDENT WITH JAPANESE LUGGER.

Mr. FORDE.—Will the Minister representing the Minister for the Interior state whether his attention has been directed to the report from Darwin, published in to-day's newspapers, that a claim for £5,000 will be lodged against the Commonwealth in respect of the incident in which the patrol boat *Larrakia* is stated to have fired on the Japanese-lugger *Toba Maru*? Has he had any official advice of this action? Can he say whether it is a fact that claims against the Commonwealth in respect of this and similar incidents now total £70,000? Has the attention of the honorable gentleman also been directed to the statement by the Japanese Foreign Office spokesman, referring to the latest *Larrakia* incident, that "If the firing was illegal, this may be a serious matter. I think Australians have become unduly agitated about the minor matter of the doings of small Japanese boats"? Does he consider this to be a "minor matter", and will he inform the House of the Government's attitude in regard to it?

Mr. THOMPSON.—No information has been received from Darwin regarding any claim for compensation against the Commonwealth on account of the alleged firing of the *Larrakia* across the bows of a Japanese lugger, but a report concerning the incident has been received from the representative of the Commonwealth at Darwin. There is some truth in the statement that the *Larrakia* fired across the bows of the vessel.

Mr. GREEN.—Did it succeed in hitting the Japanese vessel?

Mr. THOMPSON.—No; there is no truth whatever in that part of the statement. The Minister for the Interior is now considering the whole of the circumstances of the case, and I understand that he will make a statement upon it to Parliament in the very near future.

Mr. BLAIN.—In the absence of the Minister for the Interior, will the Assistant Treasurer inform the House whether, in view of the embarrassment caused to the Government and to departments generally by reports of the *Larrakia's* movements and actions at sea in territorial waters, legislation will be brought down making it an offence to report the vessel's movements in northern waters?

Mr. THOMPSON.—I shall bring the honorable member's question under the notice of the Minister for the Interior.

SUBSIDIZED SHIPPING IN THE . PACIFIC.

Mr. BEASLEY.—In view of further statements published in the press at the week-end concerning the agreement with regard to subsidized shipping in the Pacific, has the Acting Minister for Commerce been advised further regarding the agreement, and has he any statement to make to the House?

Mr. ARCHIE CAMERON.—The Government has been advised that the negotiations between the parties interested are proceeding, and it appears that a satisfactory agreement will be concluded; but, at this stage, it would be inadvisable for me to disclose the terms of the agreement. As soon as I am in a position to do so, a statement will be made to the House.

NEWNES SHALE DEPOSITS.

Mr. JAMES.—Is the Treasurer aware that many electors of Macquarie were deluded at the last election, and are beginning to realize that the proposal to develop the oil shale deposits at Newnes was merely a political stunt?

Mr. SPEAKER.—The honorable member is not in order in asking a question couched in those terms.

Mr. JAMES.—Can the Treasurer say whether the agreement for the leasing of the field specifies the date by which work must be commenced, and can the Minister inform the House when he expects a beginning to be made?

Mr. CASEY.—I cannot offhand give all the details of the agreement, but I have no reason to believe that the Government will be other than entirely satisfied with the way in which the company is carrying out its contract.

WOOL DRAFT.

Mr. CLARK.—Will the Acting Minister for Commerce state whether representations have been made by the Minister for Commerce (Sir Earle Page) with a view to the suspension of the operation of the Wool Draft Allowance Abolition Acts which are scheduled to come into operation in the various States on the 1st July next? Further, will the Acting Minister state the cost of this draft to the wool industry, and the intention of the Government regarding the matter?

Mr. ARCHIE CAMERON.—The draft allowance on wool is a matter which comes under the jurisdiction of the States, and as far as I am aware, no representations have been made by the Minister for Commerce that the decision reached unanimously at the meeting of the Agricultural Council this month should be departed from. The latter part of the honorable member's question relates to statistics. He should either give notice of the question or see me privately regarding the matter.

DESTRUCTION OF RABBITS.

Mr. GREEN.—Is the Minister in Charge of Scientific and Industrial Research in a position to give the House any late information as to the progress being made with the experiments for the purpose of obtaining a virus to deal with the rabbit pest?

Mr. CASEY.—I believe that the experiments with myxomatosis are now in the final phase. I have asked the Council for Scientific and Industrial Research to advise me as soon as any important progress has been made, and I shall see that that is done.

PAPERS.

The following papers were presented:—

- Air Force Act—Regulations amended—Statutory Rules 1938, No. 48.
- Naval Defence Act—Regulations amended—Statutory Rules 1938, Nos. 46, 47.
- Northern Territory Acceptance Act and Northern Territory (Administration) Act—Ordinance of 1938—No. 2—Crown Lands.

NATIONAL HEALTH AND PENSIONS INSURANCE BILL
1938.

SECOND READING.

Debate resumed from the 27th May (*vide* page 1518), on motion by Mr. CASEY—

That the bill be now read a second time.

Upon which Mr. CURTIN had moved by way of amendment—

That all words after "That" be omitted with a view to insert in lieu thereof the following words:—

"this House is of opinion that in its present form the bill is unacceptable because—

- (a) It seeks to place upon a contributory basis the payment of pensions for old-age, invalidity and widowhood, which should be provided as a matter of right without the exaction of individual contributions;
- (b) It provides unequal benefits for men and women;
- (c) It fails to provide medical benefit for the wives and children of contributors;
- (d) By partially overlapping the field of friendly society activity it tends to discourage young men and women from joining these associations of self-help, thus threatening the continued strength of friendly societies without providing in full the services which they now render;

and, therefore, the bill should be withdrawn and redrafted and a more liberal bill, freed from the defects now enumerated, should be introduced without delay."

Mr. POLLARD (Ballarat) [3.15].—I support the amendment submitted by the Leader of the Opposition (Mr. Curtin). The acceptance of the amendment would make the measure true to the name it bears. I have always regarded "national" as a term that should be applied exclusively to things that are really national in character, and in connexion with which the people receive rights in accordance with their needs and contribute to the cost according to their ability to pay. Our defence scheme is called a national one, and every taxpayer in the Commonwealth contributes to its cost according to his income. Similarly, the education systems in the various States are national in character, the people contributing to their cost according to their means. Some of the people

pay nothing towards the cost of education, but whether rich or poor, all are entitled to the benefits of the system. I am profoundly disappointed to find that in no sense can the term "national" be justly applied to the bill now before us. A distinction is drawn between various sections of the community, and the necessary finance is not to be raised on an equitable basis. I should like to know the actual position with regard to the present invalid and old-age pension. Fundamentally, it seems to me that the old-age pensioner is given the right to purchase in any particular year a certain quantity of butter, meat, eggs and other food as well as clothing and other necessities of life. I ask myself what would be the position if every man and woman in the community were given the national right, at the age of 60 or 65 years, to consume so many pounds of food and to obtain certain other necessities of life. My conclusion is that these people are entitled to draw from the annual production and I challenge any one to show that there is anything unsound in my reasoning. The Commonwealth pensions system to-day is financed by a system of taxation based on the capacity of the individual to pay. Unsound reasoning prompted the introduction of this bill. I believe that it is based on the unsound principle that as the individual grows old so does the community grow old. What is true of the individual is not true of the community. It is true that there are slight variations from year to year in the age of the community, but I do not believe that these variations are as great as would appear from the figures cited by the Treasurer (Mr. Casey) when introducing this bill. He said that 26 per cent. of wage-earners to-day become eligible for the old-age pension, and that 40 years hence the figure will have risen to 54 per cent. My efforts to ascertain the basis of his calculation at the Census Department and at the Treasury met with failure, but I suppose it was based on the belief that the decline of the birth-rate which has taken place in the last 25 years will continue at the same rate, and on the fact that improved medical science and hygiene, and other factors will prolong human life in the next 40 years in the same proportion as

Mr. Pollard.

it has been prolonged in the last 25 years. If that be the case, the calculations have been made on false premises. When I was a boy, the average Australian family consisted of about six or seven members, whereas the average to-day is two or three, but if the decrease in the next 40 years were maintained at the same rate as in the last 25 years, the time would come when no more children would be born. I suggest that a supposition of that nature is fundamentally unsound. Even if the Treasurer's figures were correct in every detail, it would still hold good that the community does not grow older from day to day; if there is a slight ageing of the community, it becomes progressively smaller from year to year, and it is not beyond the capacity of the Government to tax from year to year on the basis of ability to pay, in order to distribute necessities of life, which are their just due, to those persons who lack them. There is no justification for the establishment of a fund now to provide for those persons who, 40 years hence, will reach the pensionable age. This country has a national institution, the Commonwealth Bank, which, on the credit of the nation, could issue sufficient money to provide pensions to the people. No fund was established 40 years ago to pay for the pensions bill of the Commonwealth to-day. A vast amount of money would be needed, about £1,000,000 a week, but I ask my friends of the Country party to reason out this proposition. Immediately the money was paid to the pensioners, the whole of it would be expended on the purchase of necessities of life and it would flow to the primary producers, to the makers of agricultural implements, and to all other sections of the community, to the professional classes, and even into the coffers of the usurers in interest payments. If there were any tendency for prices to rise as the result of this inflation, the Commonwealth Bank could retire portion of the fund to the source from which it came. I do not put that theory forward as being entirely my own view. I back it up with the statement made last week by the Prime Minister (Mr. Lyons) of which I counsel honorable members to

take particular note. The Prime Minister said—

That vast sum ultimately amounting to nearly £1,000,000 a week will add enormously to health, happiness and contentment of the most deserving class of people. This weekly circulation will materially increase the purchasing power of the people and promote the prosperity of the country.

I believe that the supporters of the Government, after having heard the debate on this measure, realize that it is full of anomalies and injustices, and that, having seen the light, the Government will accept my leader's amendment, withdraw this bill, and introduce a measure providing for a system of invalid and old-age and widows' pensions, medical and health benefits, and insurance against unemployment, which will be of real benefit to the people.

When I look back over the years and think of the history behind this bill I am astounded that such an inadequate measure should have been introduced. I had read of the British scheme of so-called national insurance, but I did not dream that an Australian Government would adopt that scheme almost in its entirety. The background to this bill is to be seen, in part, in the national insurance bill introduced in 1925 by the Bruce-Page Government. During the election campaign which that Government fought at that time it promised the electors that a system of national insurance and child endowment would be inaugurated. Our people were thus led to believe that in due course a scheme, truly national in character, would be drafted. Australia could well have led the way in this matter. We all recollect that in the four or five years before the war the parliaments of this country became famous for dealing with social legislation in an unorthodox and courageous way. This world-wide reputation that we had gained was well merited. Since the war, however, our Governments seem to have lost all initiative and courage. The introduction of this scheme offered a golden opportunity to regain some, in part, of our lost reputation and still observe sound economic principles.

Mr. ARCHIE CAMERON.—Apparently the honorable member does not want the Government to do anything.

Mr. POLLARD.—The interjection of the Acting Minister for Commerce reminds me that during the week-end I heard a conversation by two women who had been reading the report in the Melbourne *Herald* of the honorable gentleman's comments on the equality of the sexes. One lady said "Who is this bird, Cameron, anyhow"? The other replied, "Oh, he's something or other in the Government". The first woman said "It looks as if he's had a pretty rough time at the hands of some woman during his life".

To discover the motive underlying the introduction of this bill, I carefully read the second-reading speech of the Treasurer. The honorable gentleman suggested that the bill was designed to benefit the more self-respecting type of people, who wished to preserve the dignity of labour and avoid having to rely upon the pension—a kind of glorified dole—in their old age. He went on to say that the Government had pressed on with the bill because—

every day wage-earners are falling sick, or getting older, and many are dying, leaving behind them widows and orphans.

He added—

In our anxiety to relieve the most necessitous cases, we have, I think, tended to overlook the very real needs of many others who are willing and anxious to provide a reasonable measure of protection for themselves and their families, but who, without some assistance from other sources, cannot afford to make such provision out of their own limited resources.

Referring to certain people he observed—

The greater portion of those who stand in most need of insurance are uninsured. They are either unable to afford it without the assistance of the Government, or lack the initiative to become and to remain insured.

In my opinion this scheme is neither equitable nor just, for it makes fish of some and flesh of others. The Treasurer also said—

The story of voluntary insurance is marred by the tragedy of the number of lapses from insurance due to sickness, unemployment and other misfortunes. For them there is no sick pay, unless the invalidity is total and permanent, no medical treatment, no provision for the widow and children except in the form

of charity, and no pension in old age except under the provisions of the Invalid and Old-age Pensions Act.

I agree with that, but I submit that those in the community who are receiving more than their share of the wealth produced should be obliged to devote a part of it to the relief of the needy, to enable them to obtain a pension on retirement, and also to meet the exigencies of sickness, widowhood, and so forth. That method would be far better than the one adopted by the Government, which must result in the unjust taxation of many people in the community. It would be easy, in my opinion, to devise an equitable taxing measure which would be adjusted to the incomes of the persons concerned. Under this scheme an employee will be obliged to pay 1s. 6d. a week towards the insurance fund, and so will his employer. If the employee happens to be a basic wage worker a payment of 1s. 6d. a week will deprive his family of a pound of butter. In many cases the family of a basic wage worker already get too little butter. If the employer concerned happens to be engaged in a calling which is yielding very little profit, and which prevents him from obtaining for his goods a price having a proper relation to the cost of production, he will be seriously affected. Doubtless some employers with a hundred or more employees will find themselves in such circumstances. Such employers who are unable to pass on to the general community the cost of this scheme will be seriously handicapped. Employers whose enterprise is in the nature of a monopoly will experience no such difficulty, for the increased cost can be passed on in the added price of goods. The effect of this will be to oblige the unfortunate working man, who is the consumer, to pay still more heavily for this so-called insurance. In the case of a *rentier* who may own twenty houses in a city, for which he receives £20 a week in rent but provides no employment whatever, there will be no contribution to the fund. Bond-holders, and all dealers in gilt-edge securities, even though they may enjoy an income of £50 a week, will not have to pay a penny piece towards this fund. This, in my opinion, is inequitable. Such unjust discrimination should

not be permitted. The manner in which this measure will affect individuals is the best test of its fairness.

Let us consider the position of the farmers, that section which, in the existing conditions of society, is never adequately recompensed for its services. Many farmers earn less than the basic wage, probably less than the men they employ. For instance, a potato grower who, on Monday morning, engages five men will be committed to pay into the insurance fund 7s. 6d. for the week, although he may employ them for only five days. At the end of the year, owing to market fluctuations, he may actually show a loss of hundreds of pounds on the year's operations, but he will have had to pay the employers' contribution for all his employees. Members of the Country party have pressed the Government to exempt from the provisions of the scheme farmers who earn less than £200 a year, but, if that be done, what is to become of the workers employed by such farmers? Who is to pay the employers' contribution in respect of them, or are they to be deprived of the benefits of the scheme altogether? Again, it is quite possible for a farmer to earn less than £200 in one year, but more than that amount in the next year. Is it proposed that he should come under the provisions of the scheme in one year and be exempt in the next, and so on?

Why should honorable members confine their solicitude to farmers? There are thousands of small shopkeepers in city and country areas, splendid citizens and capable business men, who, because of fierce competition, are hardly earning a competence. What is to be their position? Many men and women realize that there is no future before them as wage-earners, and that there are few vacancies for foremen and executives in large businesses. They escape from the ranks of the wage-earners by opening up small businesses in town or country, but no provision is made for them in this scheme, notwithstanding the fact that their incomes may be less than the basic wage, and that members of their families may be employed in the businesses to help them. That is an injustice of the worst

kind. It is true that a man who has escaped from wage slavery by opening a business may become a voluntary contributor under the scheme by paying 3s. a week, the amount rising in ten years' time to 4s. a week, but what of the person who enters business without having first been a wage-earner? The scheme makes no provision for him at all.

Let us consider for a moment how the professional classes fare under the scheme. The successful barrister, who is at the top of his profession, and earning a large income, employs nobody, and makes no contribution to the finances of the insured scheme. On the other hand, the solicitor, who probably earns a much smaller income, has to employ five or six clerks, and must pay the employers' contribution in respect of them. There is no justice in that.

Another anomaly exists in regard to the wives of insured persons. If a woman has been in employment before marriage, she may elect to become a voluntary contributor, but the woman who has not previously been a wage-earner is excluded. Is there any reason why the national Parliament should discriminate in this way between the woman who has worked in industry, and the woman who for instance, comes from the farm—who has been helping to earn the family income, but who has received no wage in return other than her keep? If tomorrow I were to marry a woman out of a factory, she could become a voluntary contributor under the insurance scheme, but if I were to marry a farmer's daughter, even though the farmer may be earning less than £200 a year, she would not be permitted to participate in the insurance scheme, though she might be in all respects a splendid example of womanhood. The whole scheme is riddled with inequalities, injustice and anomalies, and as fast as the Government devises means to remove one set of anomalies, a fresh crop springs up.

According to the census, there are in Australia to-day 3,155,000 bread winners, of whom 1,447,000 are wage-earners. Of the remainder, 170,000 are part-time wage-earners, 207,000 are employers and 40,000 are helpers who are not receiving

wages. The members of the last-mentioned class are often most deserving persons who, without receiving wages, give their time and their energies in shops or on farms in helping to earn the family income. They are just as worthy citizens as those who work in factories or in mines. The number of self-employed persons who earn less than £259 a year numbers 328,000. The farmers are included in this group, but none of them is to be covered by the national insurance scheme. Surely that is unfair and unjust. Before I proceed further I wish to deal with the position of the unemployed and the unemployables who, after all, form the most deserving and most necessitous section of our community. No attempt has been made in this bill to provide for them. To-day there are many good Australians, young men anxious and willing to obtain work, but unfortunately no work is available. From day to day I send to the Commonwealth Public Service Commissioner in Victoria applications for employment lodged by virile physically fit young Australians ranging in age from 20 to 30 years, many of them married with dependants, but because there is already a large waiting list of returned soldiers no positions are likely to be found for them in the near future. This very deserving section of the community is not covered by the bill now before the House.

Mr. SPEAKER (Hon. G. J. Bell).—I remind the honorable member that the House has already decided, by rejecting an amendment which proposed to include it, that unemployment insurance cannot be discussed during the debate on this bill.

Mr. POLLARD.—I shall endeavour to comply with your ruling, Mr. Speaker. Another very grave anomaly in this measure is that domestics employed by an insured worker in his home are not eligible for the benefits conferred by it. Is there any logical reason, any reason based on justice, why a domestic who works for an insured person receiving £300 a year should not be covered, while a domestic working for a person not insured should be covered? Cannot this Government demonstrate to the Australian people that the anomalies which I have mentioned

can be removed and that it can still bring down a national insurance measure based on the principle of justice? A measure such as this should be national in spirit and not sectional in its incidence as is the measure before the House. When it became known that the Government proposed to bring down a bill for national insurance, it was anticipated by the Australian people that it would be based on justice and equality and would cover all sections of the community. The Government's excuse for not having introduced such a measure is that it would have covered too many people and that the medical profession as it is organized to-day could not possibly cope with the additional pressure imposed on it. If that is the position, it may be a logical answer so far as the medical profession is concerned, but it is no reason why this Parliament should not say that it is only for the time being that we shall limit its provisions to cover those in receipt of less than £300 a year, or £500 a year, or, for that matter, any sum which the Government after consultation may decide to be sufficient to prevent so many people being brought within its scope, that it would result in the disorganization or overloading of the medical fraternity, and that later the provisions of the measure may be extended until it embraces, as does the New Zealand legislation, every section of the community, irrespective of class, in accordance with the needs of the people from time to time. One feature of this measure which appeals to me should, I think, be revealed to the people. The Treasurer voiced his grave concern at the rapid growth of the existing pensions scheme, and mentioned the tremendous sum that will be involved for the payment of pensions 40 years hence; but the honorable gentleman did not, at the same time, quote figures from the *Year-Book* or from census returns to show that from year to year the productive capacity of the Australian people has more than kept pace with the ability of the community to pay increased pensions of every kind. These figures should have been quoted by the Treasurer in his second-reading speech on the bill in order

Mr. Pollard.

to show the offset to the greatly increased cost of invalid, old-age and other pensions. In 1906, the *per capita* value of production in Australia was £223; in 1936, it had grown to £448. In 1932 the total production in secondary industries was valued at £281,645,000; in 1935-36, it was valued at £444,688,000. Those figures represent a *per capita* value of £16.94, and £24.06 respectively. The figures I have quoted apply only to secondary industries, and I realize that from year to year, because of our export trade, there is a variation of our national income from the sale of primary products.

Before I leave that question I may say that I listened to the Treasurer voice the fear that we may be faced in the future with a budgetary position similar to that which we experienced in 1929-32, which would prevent the Government from paying pensions out of the current year's income. My reply to that is that extraordinary circumstances existed during that period. At that time a government was in office in the Commonwealth sphere but not in power. Had the then government been in power it would have seen that every penny to which pensioners were entitled was paid to them. I point out that if a national insurance scheme comes into force it may be possible for any government, through its control of the banking system, so to vary the value of the pension paid that its purchasing power may differ greatly from what it was when the pension was first instituted. That could be done by any government merely by control of the currency. I should say that so far as the economic position is concerned, the arguments advanced to the House that the scheme has been worked out actuarially are false in foundation. If it were true that from year to year we set aside vast resources of butter, wheat, eggs, meat, woollen goods and so on, to pay the pensioners 40 years hence, then I would say that the scheme was based on sound economic facts. That, however, is not done; we pay them out of the current year's production and resources. There is too much emphasis on growing costs. The other day I looked up the total cost for the year of unemployment relief. I found that, for the year

1935-36, the total tax on account of unemployment relief was £10,650,000. Although that tax was not levied quite as I should like it to have been, at least some attempt was made to levy it according to ability to pay. The amount contributed by the people of Victoria was £2,000,000. Had they been told ten years ago that £2,000,000 could be withdrawn from the community by way of taxation for unemployment relief, they would have said that it was economically unsound.

[Leave to continue given.]

As the Prime Minister has said, the money so raised circulates immediately in the community, and consequently no very dire results follow the imposition of the tax. For war and repatriation services, the Commonwealth Government last year expended nearly £19,000,000. There is no suggestion of charity in the case of the pension given to a returned soldier, his widow, or orphans. No one would dare to say that, in taking it, their dignity and self-respect are lowered. When the community fully realizes its responsibility, it will recognize that those who, after years of productivity, reach old age without a competence and are thrown on the industrial or social scrap-heap, are equally entitled to a pension on as equitable a basis as that which applies to war and repatriation pensions to-day. For purposes of defence, an expenditure of £43,000,000 in the next three years is contemplated. The expenditure under this scheme is not expected to be any greater in 40 years' time. Those who profess to believe in expenditure for purposes of defence, contend that it is national in character and that the object of it is to protect every life in the community. Every person, with the exception of those who receive the lowest incomes, and cannot contribute, is to be called on to pay according to his or her income. In his introductory speech the Treasurer said—

Our main immediate task as a Government represents "defence" in a two-fold sense—the building up of our national defences against possible aggression, and the building up of the defences of the individual Australian family against the unexpected emergencies of life.

Protection against aggression from outside Australia, and the preservation of life in Australia, should always be financed by the same method.

I hope that, should this measure be passed in its present inadequate and unjust form, at least the friendly societies and trade unions which to-day are operating benefit schemes, will have the exclusive right to administer the proposed health and other services. I am totally opposed to insurance companies, employers' organizations, or any organizations other than those that I have mentioned, participating in or administering a scheme of this sort. The friendly societies have given long, noble and efficient service to the community. They have had lengthy experience. They know how to deal with the malingerer. They are in constant touch with the medical fraternity, and constitute the best possible avenue for the administration of a scheme of this nature.

During the last few weeks, but particularly since the debate on this measure began, there have been discussions, arguments, and the presentation of different views in regard to the remuneration to be paid to the medical fraternity. I believe that the medical fraternity should be paid the highest possible amount, commensurate with the services they render. They are a fine body of men, and can be trusted to give real true-blue service under this scheme.

I hope that the scope of the bill will be widened sufficiently to embrace medical benefits and services which the medical fraternity are able to render, but will be prevented from rendering under the scheme in its present form. I suggest that medical practitioners be allowed an additional fee of 2s. 6d. for night calls, and payment for conditions brought about by moral misdemeanour and insobriety. In the latter case, it would not necessarily be the person responsible for moral misdemeanour or insobriety who would be protected, but society as a whole because of the protection afforded his family. I suggest payment for after treatment, in respect of a surgical operation, if it be given by a surgeon specialist. There should also be a pool, for investigation

by an X-ray and pathological specialist. The limitation of £1 1s. in respect of the fee of the anaesthetist attending upon a major operation is ridiculous. There should be payments for difficult fractures and dislocations, if necessary to a specialist.

I hope that the amendment of the Leader of the Opposition will be carried, and that the Government, in its consciousness of the fact that, in the ranks of its own supporters, as well as of the public generally, there is intense dissatisfaction with the present proposals, will draft and introduce a measure providing for the inauguration of a scheme which will be worthy of the description "national."

Mr. HARRISON (Wentworth) [4.8].—I rise to support the bill, realizing its value to the community, but with certain qualifications, because I recognize that it has definite limitations, and in consequence will affect somewhat unfairly the people as a whole. I congratulate the Treasurer (Mr. Casey) on the introduction of what he has been pleased to call the first instalment of national health and pensions legislation.

It should be the right of every honorable member to attempt to improve any piece of legislation which is introduced. That can be done only by directing attention to its faults. It is a great pity that this scheme has had to be superimposed on the scheme of shreds and patches which at present constitute our State health services. We should have had an entirely different measure had there been a co-ordinated scheme of health services in the different States, and would not have been in the position that we occupy to-day to offer criticism if the health legislation of the States had been such that it could have formed a colourful background of substance against this measure. I make that statement, recognizing to the full the fact that the States have performed a very worthy service and that, by legislative action and rigid control, they have definitely reduced the death rate and succeeded in greatly minimizing the incidence of disease and epidemics. At the same time, however, I draw attention to the fact that the hospitals in the States are to-day treating approximately

30 per cent. of the people of Australia, and that we still have upon our national health escutcheon such a blot as a high rate of maternal and infant mortality. At the present time the maternal death rate is five mothers to every 1,000 births, a total of 700 each year, while the childhood mortality totals 10,000 yearly. Then, too, the total number of rejections by the recruiting authorities is extraordinarily high. From time to time, severe criticism has been levelled against State health administration generally. All this is the result of unplanned health services within the State itself. In regard to hospitalization, may I say that the operation of this scheme will lead to the further overcrowding of the available accommodation in the States. The panel system has been described in such highly descriptive language as "playing the panel and punting the rarities into touch." May I suggest that "punting the rarities into touch" means sending difficult patients to hospital. Such a practice will result in the overcrowding of the hospitals, with unfortunate effects on their institutional practices. [*Quorum formed.*] The organization section of the journal of the American Medical Association, reviewing the health insurance scheme in England, so that some measure of a like nature might be introduced in the United States of America, published the following:—

The British system supplies only a "general practitioner service." It has no provisions for hospital, laboratory or consultant services . . . The insurance physician is inclined to send all serious cases to the hospital. One result of this is such an overcrowding of the hospitals, as to cause an extreme delay in the admission of those needing hospitalization. In Scotland we learn that—

The average waiting period for diseases of the nose, accessory sinuses, and tonsils and adenoids was 70.1 days; for hydrocele and varicocele, 62 days; hernia, 37 days; gynaecological affections, 35.5 days; non-malignant tumors, 29.3 days; varicose veins and ulcers, 26.9 days; hemorrhoids, 23.3 days; chronic appendicitis, 21.5 days; gastric and duodenal ulcer, 20 days.

That report was published only last month. Even in England the hospitals cannot keep pace with the demands made upon them. This throws into high relief the deficiency of any plan of national insurance that fails to cover all phases of health services.

Having given full consideration to the bill, and having studied the incidence of the scheme, I have come to the conclusion that it is cast upon the basis of maximum financial benefits to contributors instead of a maximum use of preventive medicines. I am now discussing the matter from the aspect of national health. My supposition predicates the assumption that the Government has said to the contributors, "You are going to become sick in any case, so let us make it as attractive as we can for you." As the Government has concentrated, not on the health side, but on giving a maximum amount of financial benefit, the measure cannot be said to provide a truly "national" scheme. The Government has concentrated on the pensions aspect, possibly with the object of giving relief to the Treasury, at some future date, with regard to the commitments which the payment of the invalid and old-age pension involves. My first criticism rests upon the fact that this proposal has been fashioned, in the main, on the British scheme. I do not say that the British scheme is not an excellent one—I think it is—but it cannot be claimed to be a national health insurance scheme. Every authority one reads on this subject states conclusively that, from the very inception of the British scheme, there has been an insistent demand for the widening of the health benefits, and for greater concentration on the health aspect of national insurance. The scheme proposed by the Government covers only a section of the community, and furnishes merely a mediocre health service, although it certainly dispenses large pension benefits. I shall quote again from the journal of the American Medical Association, which states—

The hope that the imposition of compulsory national health insurance would achieve the principal purpose for which it was instituted, namely, "the prevention of disease," has been largely disappointed.

It is pointed out that if the measure aimed at anything, it surely was intended that there should be immunization of the community from epidemic disease. It is mentioned that in London schools only 1 per cent. of the children have immunization against diphtheria, whereas in the State of New York the number is

700,000. The journal to which I have referred proceeds—

It was in 1928 that immunization against diphtheria was started in Montreal. The death-rate that year was 28 per 100,000. In 1929, it fell to 15, in 1930 to 10, in 1931 to 6, and in 1933 to 2. Last year 52,063 Montreal children were immunized.

Thus it is seen that the very foundation of the British health scheme is based not on health requirements generally, but on the assumption that sickness is inevitable, and that it should be made as attractive as possible. Unfortunately, Australia has adopted "follow the leader" tactics. It is regrettable that the Government has not proposed a scheme of greater value from the health point of view. It has been assumed that the British scheme is the best, and that Australia should copy it, without endeavouring to adapt it to the conditions obtaining in the various States, in order to bring about the complete scheme which medical experts in England have advocated. Regarding the matter dispassionately, I should say that the scheme submitted by the Government is a veritable pyramid of financial benefits poised on its apex, instead of being firmly established on a base of medical benefits. The British scheme should not have been slavishly followed. It should have been used merely as a basis upon which to build a suitable scheme. The British scheme is already behind the times, and the authorities in Great Britain are clamouring for its extension. In the *National Insurance Gazette*, of the 14th April, 1938, Sir Henry Brackenbury, ex-President of the British Medical Association, and one of the leading medical authorities of England, said—

One obvious defect with which they had been long concerned was the incompleteness and narrowness of medical benefit under the insurance acts.

He added that these benefits were intended for a certain class of people only, and he continued—

Nevertheless, the dependants of insured persons were in exactly the same need of such advice and treatment as were the insured persons themselves.

In the present bill we have failed to recognize that. Recently we have received an assurance from the Treasurer that he

will bring in a measure to cover those dependants, but we have not taken advantage of the conditions obtaining with regard to this form of legislation to widen the scope of this bill, and to make it really national in its incidence. Sir Henry Brackenbury further stated—

The organized medical profession had put this in the forefront of their programme—that the benefits under national insurance should be extended to the dependants of insured persons—and he did not think they could combat that proposition at all. They should look to the time when this would have to come about.

Many authorities could be cited to support the statement that the British scheme is not national in its incidence, and is much in need of widening, yet the Government proposes practically to adopt it in its entirety. The present proposals contain very few innovations. The report of the royal commission, which was appointed to inquire into the operation of the British scheme, stated at page 128—

Medical benefit is at present a general practitioner service; but it cannot seriously be claimed that this is a satisfactory state of affairs. It means that the medical service given in respect of the insurance contribution stops short just where the need is greatest. In the serious and expensive cases the insured person is thrown back on his own resources or on the limited provision made by the general hospitals.

Even in the majority report of the royal commission, the limitations of the British scheme are acknowledged, yet it is proposed by Australia, a new-comer country, to impose that scheme upon our background of uncoordinated health activities. The first action of the Government should have been to study the conditions in the various States with a view to the adoption, not of an obligatory pensions scheme, but of a national scheme of health insurance. Instead of that, the Government has, as I have said, slavishly adopted the British scheme. Continuing the figure of speech in which I likened the present scheme to a pyramid, I am afraid that, if the base is not widened, the financial benefits to be granted and the failure to take health services into full consideration, will cause this pyramid to collapse, or at least to assume a curious shape, resembling, perhaps, the leaning tower of Pisa. It may stand at an angle

Mr. Harrison.

somewhere between the perpendicular and the horizontal—somewhere between the Government's desire to maintain it and the wish of the people to get rid of it.

The Treasurer and others have stated that this scheme is 75 per cent. more generous than the British scheme. I have compared it with the British scheme, and also with that introduced by Sir Earle Page when he was Treasurer in the Bruce-Page Government. I make no apology for mentioning the Bruce-Page scheme, because it carried a certificate of actuarial worth from men such as Mr. Sneddon, general manager of the Australian Mutual Provident Society, Mr. Wickens, formerly Commonwealth Statistician, and Mr. Bennett, one of the actuaries who has sponsored and guaranteed the present scheme. Surely men of this calibre would not guarantee as actuarially sound a scheme which would not give the results promised. Under the present scheme the employee will make a contribution of 7½d. a week for health benefits only, compared with 4½d. a week under the British scheme. Under the Page scheme the contribution was to have been 1s. over all, but exclusive of medical benefits. If we assume that these medical benefits should have been included, the contribution would have been about 1s. 4d. a week. The 7½d. a week to which I have referred applies only to sickness and disablement benefits. Under each scheme, therefore, for 7½d. a week, medical attention and medicine are taken into account. Under the present scheme, after 26 weeks, the contributor receives certain sick benefits. In my computations I have endeavoured to be fair, and I have taken the figures given by the Treasurer, who says that there are about 700,000 married persons, and about 1,100,000 single persons who become contributors. The Treasurer took the family unit as 1.93, but I shall be more generous than that. I shall assume that the family unit consists of a husband, a wife and one child, which closely resembles the 3.2 family unit taken by the friendly societies. Under the Australian scheme the sickness benefit for 26 weeks is to be 20s. a week plus an allowance of 3s. 6d. a week for one child making a total of 23s 6d., which becomes payable after six days have elapsed. Under the British scheme under

which the contribution is 4½d. a week as against 7½d. under this scheme, the contributors receive sickness benefits of 15s. a week within three days of their illness. Honorable members who know anything at all of those provident schemes which operate in industry know that the biggest drain upon a fund comes within the first few days of illness. I suggest, therefore, that there is a considerably greater draw on the British fund than there would be on the Australian fund. A contribution of 7½d. for a benefit of 20s. plus 3s. 6d. for one child is to be made in Australia under the Australian scheme, whereas under the British scheme 4½d. is contributed for 15s.

Mr. STREET.—That operates only after two years; otherwise the pension allowance is 9s.

Mr. HARRISON.—Our scheme also has its limitations. Under the Page scheme where the contribution proposed was 1s. for general benefits and 4d. for medical benefits, making a total of 1s. 4d. as against a total of 1s. 6d. under the present scheme, it was proposed to give 27s. 6d., with an allowance of 5s. for one child, making a total of 32s. 6d., after three days of illness. The Treasurer claims that our scheme is 75 per cent. more generous than the British scheme, but in this instance the figures prove the direct contrary. Moreover, there was an actuarial certificate by worthy gentlemen which suggests that we could now give the people something of the nature which was contemplated in the Page scheme. Let me put it another way, in a way which perhaps honorable members may appreciate more; that is by comparing the proposals in this bill only with the British scheme. Under the British scheme 4½d. is contributed for 15s. On the same basis for 7½d. in Australia the benefit should be 25s., but actually it is only 23s. 6d. The British scheme operates after three days, and the drag on the funds is consequently greater than it would be under this scheme which provides for sickness benefit after six days. Side by side with what I have said I ask honorable members to realise that the British scheme provides for maternity allowances whereas no such provision is contained in this measure. The British

scheme gives £2 as a maternity allowance and £4 if both husband and wife are insured. All of this supports my contention that there is a wide margin between the two schemes, the British scheme with its contribution of 4½d. and the Australian scheme with its contribution of 7½d.

Let us look on the disablement side. Disablement benefit presupposes that if a person, after having drawn sickness pay for some 26 weeks, starts to draw disablement benefit he has started to qualify for the invalid pension. The Government professes to be very generous in giving 15s. plus 3s. 6d. for one child as a disablement benefit as against the 7s. 6d. given under the British scheme, but under the Page scheme £1 plus 5s. for a child was to have been given. Indeed both the Page scheme and the scheme under this bill are generous in respect of disablement cases, but I should not be mean enough to suggest that possibly the Treasurer has had an eye on the relief of general revenue in respect of invalid pensions that will accrue as the result of this generosity. Once a person qualifies for the invalid pension he receives 5s. more than the 15s. provided for in this bill as disablement benefit. It would be a tremendous saving of revenue to have a disabled person who was entitled to the invalid pension paid 15s. out of the national insurance fund and only 5s. out of revenue.

I now propose to discuss the relative sections of the British act and this bill relating to juvenile employees. Under the British act contributions in respect of juveniles of from fourteen to sixteen years of age are 2d. a week from the employer and 2d. a week from the employee, a total of 4d. a week; whereas under this bill they are 4d. from the employer and 4d. from the employee, a total of 8d. In both instances the juveniles receive medical benefits, but no sickness or disablement benefits. It is proposed to give a capitation fee of 11s. to the doctors which virtually means 2½d. a week out of the 8d. contributed. It is fitting to ask where the other 5½d. will go. The chemist will get a little and there will be some administrative charge, but certainly not sufficient to cut out the whole of that 5½d. The drafting of this bill is definitely conservative.

It has been suggested that the optional payment by a woman of an additional 6d. a week will entitle her to equal pension benefits with the man, but she will be paying the same contribution as the man for fewer benefits. Definitely there is differentiation between the sexes. I am not particularly attracted by the optional contribution as it has been set out.

In support of my contention that this is definitely a conservative measure I suggest that this scheme will be sufficiently productive of funds that the Government should be able to give greater consideration to the people in respect of health benefits and to the doctors in respect of increased capitation fees which will enable them to devote their entire services to making this a health measure. The figures that I propose to cite should prove the conservativeness of this bill. The accumulated funds at the end of 1936 under the British scheme with a contribution of 4½d. a week amounted to £136,380,000 and I venture the opinion that to-day the accumulated funds amount to well over £140,000,000. Of this sum £36,000,000 is actuarial surplus. That is *prima facie* evidence of the conservative nature of this bill, and is proof of the fact that the Government is endeavouring to develop rapidly a reserve of funds at the expense of the national health services, and of both the doctors and the beneficiaries.

On the pensions side male contributions in Australia are to be 10½d. a week compared with 5½d., or approximately half, in England, and with 1s. as an over-all contribution under the Page scheme. The old-age pension under the Australian scheme is to be 20s. a week, plus an allowance of 3s. 6d. a week for one child. Old-age pensions will not operate until the age of 60 years in the case of women, and 65 years in the case of men. Consequently, the benefit of the allowance of 3s. 6d. for a child can be considerably discounted, especially as the age limit for the child is fifteen years. I suggest that there are very few pensioners who are likely to gain advantage from that child allowance. I ask honorable members to mark this well: although it has been pointed out that 10s. a week is

the pension payable under the British scheme, it is 10s. a week each for the husband and the wife, which is comparable to our own 20s. a week. Yet the contribution in Britain is only 5½d. and not 10½d. as in Australia.

Mr. STREET.—But in Great Britain women do not qualify for the old-age pension until they are 65 years of age.

Mr. HARRISON.—Admittedly. I desire to be perfectly fair, and I concede the point of the honorable member, but I again remind him that the British contribution is approximately half of that which is proposed in this bill. The Page scheme proposed a pension of 20s. for both man and wife. The pension for widows under this bill is to be 12s. 6d. a week, plus 3s. 6d. for a child, making a total of 16s. That will apply until 1944, when a slight increase will be made, but for our purposes we must take it as it stands to-day. Under the British scheme, the pension for a widow is 10s., plus 5s. for the first child, and 3s. for the second child. Whereas under the Australian scheme the widow with one child would get 16s. a week, the widow with one child in England gets 15s. for half the contribution. The scheme proposed by Sir Earle Page was for a widow's pension of 20s. so long as her child was under sixteen years of age. That is something similar to the provision in the widows' pension scheme which operates in New South Wales. I have already brought forward facts, exact in every detail, to show that this scheme in respect of national health is completely out of proportion, but what I am now about to state shows an even more glaring disproportion in respect of pensions. The Australian scheme is for an orphan's pension of 7s. 6d. a week for each child. The British scheme provides for 7s. 6d. for the first child, and 6s. for the second. The figures which I have supplied to the House should convince honorable members that the claims of generosity by the Government can be discounted, and that it is trying to amass a reserve which will, I hope, enable it to give additional benefits in the future. The Government should not, however, try to establish a reserve at the expense of the general scheme itself. I suggest that

it should give consideration to the health side of this matter. The figures I have given are more clearly set out in the following comparative table:—

—	Government's Scheme.	British Scheme.	Page Scheme.
Medical Benefit.—Male contribution Doctor and Medicine ..	7½d. ..	4½d. ..	1s. over all 4d. additional if included
Doctor and Medicine.— Sickness allowance (26 weeks)	20s. plus one child at 3s. 6d. equals 23s. 6d. (after seven days)	15s., no child allowance (after three days)	27s. 6d. plus one child at 5s. equals 32s. 6d. (after three days)
Disablement Benefit ..	15s. plus one child at 3s. 6d. equals 18s. 6d.	7s. 6d., no child allowance	20s. plus one child at 5s. equals 25s.
Pensions.—Male contribu- tion	10½d.	5½d.	See above
Old-age	20s. plus one child at 3s. 6d. equals 23s. 6d. (at 60 years and 65 years)	10s. for husband ; 10s. for wife (at 65 years)	20s. for husband ; 20s. for wife (at 60 years and 65 years)
Widow's	12s. 6d. plus one child at 3s. 6d. equals 16s. (until 1944)	10s. plus 5s. first child ; 3s. second child	20s. whilst child is under 16 years
Orphan's	7s. 6d.	7s. 6d. first child and 6s. second child	5s.

In parenthesis, at this stage, I must say that out of the welter of accusation and denial that has marked the negotiations between the executive of the British Medical Association and the Treasurer came some clear indication that there was some agreement between the British Medical Association and the Treasurer. There is not a scintilla of evidence to prove otherwise. Whether the doctors came to discussions with plenary powers is not a matter for the Government; it is a domestic matter for the British Medical Association itself. I do not base my case on the desire of the doctors for greater remuneration. I want to see justice done, but I deplore the fact that so much propaganda has been used by learned and efficient men who should know better. They do not make their case one bit better by endeavouring to use duress through the despatch of threatening telegrams to honorable members of this House. If they have a case they would get a better hearing for it by the adoption of other means than the bringing of pressure upon members of Parliament. If misunderstanding has occurred or if too hard a bargain has been driven by that able

and astute bargainer, Sir Walter Kinnear, as I hope to prove, the Government should set up a court of inquiry to enable the rank and file of medical practitioners to state their views, for I firmly believe that owing to the secrecy that has been observed they have not yet had an adequate opportunity to do so. An inquiry of this kind should be held before this bill is placed on the statute-book. The result would be either to strengthen the attitude of the Government or to cause it to amend the provision of the bill in order to deal more fairly with the local practitioners.

I shall summarize my reason for submitting that the case of the doctors should be reconsidered. Under the British scheme a doctor gets 9s. for his medical service.

Mr. HAWKER.—That is equal to 11s. 3d. in our currency.

Mr. HARRISON.—That is true. I was coming to that. If a considerable discrepancy is apparent in the real value of the remuneration of the British practitioners as against that proposed for the practitioners of this country, it should be rectified. Increased

benefits are being provided under our bill it is true, but increased contributions are being charged. In any case the discrepancy between English and Australian currency has been considered by the Government in drafting sickness and pension benefits. In every instance they have increased the value of the benefits as compared with the British scheme. Every benefit under this scheme, except that in respect of the doctors, is based on the discrepancy of money values between Great Britain and Australia. The payment of 9s. under the British scheme is equivalent to 11s. 3d. Australian. If the British payment is regarded as satisfactory—which is doubtful—at least all the circumstances should be taken into consideration in fixing the payment for Australian practitioners. The amount was considered, so we were told, in relation to the payments by friendly societies to doctors for medical services, but we must not overlook the opinion held in some quarters that the doctors were dispensing some form of charity in making an agreement of this nature with the friendly societies. Other aspects of the subject also demand consideration. We pride ourselves in Australia on our high standard of living. I say without hesitation that our standard is from 15 per cent. to 20 per cent. higher than that of Great Britain. This naturally entails increased demands upon our medical practitioners, and that should be borne in mind in determining the remuneration to be provided. Another factor to be considered is the incidence of the tariff. Our medical practitioners are affected by the tariff in connexion with the purchase of instruments and other supplies. Even if it be said that medical instruments are not subject to high tariff it cannot be denied that other medical supplies, and all sterilizing apparatus, is so affected. Seeing that other sections of the community receive consideration in respect of the effects of the tariff upon them, the medical profession is entitled to similar consideration.

A widened medical service is being provided under this bill compared with that provided under the British scheme. This also should be borne in mind. We have heard a good deal, favorable and otherwise, in the course of the debate about

Mr. Harrison.

the British panel system. I do not wish to be involved in this argument. I simply say that we pride ourselves upon our higher standard of medical practice. Under this scheme local medical practitioners will be required to set fractured limbs and perform minor operations. Such service is not given by practitioners under the British scheme.

In all these circumstances the payment of something under 3d. a week to Australian practitioners is, in my opinion, quite inadequate. The success of this scheme must rest almost entirely upon a contented and satisfied medical profession who in the giving of this service should not be obliged, as I observed earlier, to descend to "playing the panel and putting the rareties into touch". We should do our utmost to ensure an efficient and satisfactory medical service to the general public. Any departure from this standard must affect the ultimate cost of sickness and disablement benefits. Conditions should be such as would allow the medical profession to carry out its responsibility to insured persons in the best possible spirit. If, in consequence of inadequate service, insured persons are sent to hospitals in undue numbers, a much higher expense will be incurred by governments and other authorities in regard to sickness and disablement. It would be economic wisdom for the Government to ensure, in every reasonable way, a satisfied medical profession, which would have an incentive to render the best possible service under the bill.

The friendly society aspect of the scheme merits careful consideration. I understand that in arriving at the proposed remuneration of the medical profession the 3.2 family unit has been used. As I have already pointed out, about 1,100,000 single persons and 700,000 married persons will come under the scheme. But it must be borne in mind that the proportion of single and married members of friendly societies is nothing like so great as this. In actual fact the doctors are now receiving 26s. for single and married persons for a service which they will hereafter be expected to render for 11s. in respect of single persons. All these factors lead me to reiterate my

request for the constitution of a court of inquiry.

[Leave to continue given.]

I commend the Government for its decision to introduce legislation at an early date to make provision for the wives and children of insured men, but I would ask it to include a scheme to provide for the destitute section of our community. This matter should be taken up with the State governments. The Commonwealth should make it a condition precedent to further grants to the States for relief purposes, that the State governments should contribute a lump sum to the national insurance fund to enable medical benefits to be given to destitute persons unable to fend for themselves.

Another aspect of the subject calls for particularly close attention. For a considerable time now the Prime Minister, the ex-Minister for Health (Mr. Hughes), other members of this Government, and also the Premiers and Ministers for Health in the various States have stressed the necessity to make greater provision for the welfare of women and children, the preservation of family life, and the extension of maternal welfare measures. The right honorable member for North Sydney (Mr. Hughes) has made some impassioned speeches on this subject. At the meetings of the National Health and Medical Research Council last year he was particularly emphatic. He pointed out that if the present trends continued the population of Australia would become stagnant, in 1968, at 9,000,000, and subsequently gradually decline. He said that it was very necessary that more attention should be paid to maternal welfare and that the Government should use every nerve and strain every sinew to increase its services in this respect. Yet clause 68 of this bill provides that no sickness or disablement benefit shall be provided for an insured woman after a certain stipulated period from confinement; this, of course, covers the married woman in industry. The clause reads—

An insured woman shall not be entitled to sickness benefit or disablement benefit for a period of four weeks after her confinement unless she is incapacitated by a disease or disablement not connected directly or indirectly with her confinement.

The provision is thrown into greater relief when compared with that contained in clause 50 (1) which reads—

A person shall not be disqualified from receiving medical benefit under this act by reason that his sickness has been caused by his own misconduct.

This seems to me to show a preference to persons who have contracted venereal disease as against the mothers of this country. That is an extraordinary situation. In this connexion I direct attention to the following resolution of the National Health and Medical Research Council at its sessions last November, relating to maternal morbidity and mortality, and the Prime Minister's declaration on this subject in his policy speech prior to the last elections:—

The council notes with great satisfaction the reference of the Prime Minister in his policy speech in which he said—

Closely associated with the birth rate is the care of mothers during and after maternity. Although a great deal has been done by the Commonwealth in this direction, much more is necessary to reduce the risk attendant upon childbirth, and so reduce not only the mortality but prevent the ill-health that too frequently follows it.

The Commonwealth proposes to co-operate actively with the States in making motherhood safe and materially reducing the death-rate of infants in the first month of their young lives. The fall in the birth-rate makes these little ones and their mothers more than ever precious assets to the community.

Under the British scheme a maternity allowance is provided in return for a contribution of 4½d. a week, whereas we fail to make any provision at all. Rather do we aggravate the injustice by inserting a clause permitting a person who has been foolish enough to contract a grave disease to receive medical benefit, while we refuse all aid to the mothers of the country who produce, for the benefit of the community, additional population, which members of all parties unite in describing as our most precious asset. I ask the Government to give serious consideration to the withdrawal of clause 50 (1), or to the inclusion of a provision to give attention to ante-natal and post-natal care of the mothers.

I am pleased that the Government proposes to introduce a measure to bring within the scope of the scheme small shopkeepers and others who are described

as self-employed persons. I applaud the Government for that, and I have made a suggestion in respect to it, which I hope the Government will consider.

As for members of the Opposition, I have been pleased to observe their commendation in regard to the points I have made, and I remind them that if they had been content to make their amendment less far-reaching, they might have had a greater chance of achieving something. As it is, the amendment lacks logic. For instance, I heard the honorable member for East Sydney (Mr. Ward) refer to the whole scheme as a swindle. The amendment itself states—

"this House is of opinion that in its present form the bill is unacceptable because:—

(a) it seeks to place upon a contributory basis the payment of pensions for old age, invalidity and widowhood, which should be provided as a matter of right without the exactation of individual contributions."

The Prime Minister dealt effectively with the attitude of the Leader of the Opposition in relation to the report on family endowment. I draw the attention of honorable members to the fact that there is a report on record subscribed to by three members of the Labour party, one of whom is on the Opposition benches at the present time. They said that they had fully investigated the invalid and old-age pensions schemes of this and every other country, and had come to the conclusion that it was necessary to institute a compulsory form of national health insurance on a contributory basis. I suggest that members of the Opposition are now running contrary to what was agreed to by the three Labour members in that report. Surely, if a compulsory contributory insurance scheme was not a swindle when that report was being incubated and produced, why should it assume the proportions of a swindle to-day? I cannot see any logic in the argument of the Opposition. The Leader of the Opposition could not have been aware of the report when he committed himself to the stand he has now taken, nor could he have remembered the attitude he himself had taken up in regard to child endowment. It would be more logical for members of the Opposition to follow the lead of the Trades and Labour Council in Great Britain, which has

Mr. Harrison.

asked for an extension of the benefits under the insurance scheme there, and has expressed a willingness to make increased contributions in return.

Mr. BRENNAN (Batman) [5.6].—I do not propose to address myself to the motion for the second reading of this bill with that large measure of detail which has been industriously employed by the honorable member for Wentworth (Mr. Harrison). It is a little difficult to focus criticism on the bill because the Government, as is usual with decadent governments, is shifting its ground from day to day, if we may judge from the information made available to us from outside sources. There is good reason to think that if this bill is ever passed—and I sincerely hope that it never may be—it will be a thing of shreds and patches, very unlike that measure which was originally presented to this House with so much confidence by the Treasurer (Mr. Casey). The bill is called "a bill for an act to provide for insurance against certain contingencies affecting employees and the wives, children, widows, and orphans of employees, and for other purposes." To speak of the bill as in any sense providing cover in respect of national health is, of course, ridiculous presumption on the part of the Government. It does not do so. It touches a comparatively few people, and fewer still effectively. As we know, it excludes, up to the present, at any rate, a great army of workers who do not come within the technical definition of employees. The claim made by the Treasurer that the bill applies cover to 1,850,000 persons is really absurd because, although potentially it may apply to so large a number, we know perfectly well from examination of all the details, that it never can, at any particular time—having regard to the irregularity of employment, and to other considerations—apply to anything like the number stated.

As to the pensions part of the scheme, it is evident that pensions will be no better secured than they are at present, and, indeed, it may be argued that in certain cases they will be less so. The Leader of the Opposition (Mr. Curtin) has moved an amendment to the motion for the second reading of the bill with the

object of making it, if possible, a better bill. Well, that ought not to be hard. It would be a great deal harder to make it a worse bill, if that had been the task he set himself. I confess that the part of the amendment which I like best is that in which it is stated that the bill is unacceptable, and ought to be withdrawn. I like that part better than the part in which he suggests that it might be possible to patch up the bill, and convert it from what it is into an effective measure.

The honorable member for Griffith (Mr. Baker) addressed a very interesting argument to the House on the constitutional aspect of the bill, and his observations were followed later by some remarks by the honorable member for Warringah (Mr. Spender). This honorable member was critical of the measure, and some said that he damned it with faint praise, while the honorable member for Bourke (Mr. Blackburn) suggested that he had praised it with loud damnation. In any case, I advise the honorable member to persevere with his criticism to the utmost, because along that road lies admission to the Ministry. On this constitutional aspect, if one had a week to spare, and the inclination so to spend it, it might very well be that on a close examination of the decided cases, and a re-perusal of the Constitution, one might form a useful opinion as to whether the bill is within the constitutional powers of this Parliament or is not. I have neither the inclination nor the time for the investigation. The bill has 188 clauses—at least that is the number it had when I looked at it last, though we know it is likely to be amplified as time goes on. In addition, it has a number of formidable schedules. It may be that the bill, like that somewhat overdone egg which was tendered to the curate, is good in parts. One does not know. However, having regard to the spirit of adventure which finds expression in the High Court in our day and generation, a High Court which not only skittles the most solemn decisions of its predecessors, but even, inferentially, at least, invites a foreign tribunal to skittle its own decision, and remembering also that particular judgments depend upon particular facts, and that the High Court itself declined some

years ago, to allow itself to be reduced to the status of an off-sider to the legislature by deciding in an academic way, from time to time, whether a particular bill fell within the Constitution or not—having regard to all these matters, I prefer not to take up the time of the House, and my own time, in what I would regard as a fruitless speculation as to what the High Court might, at any particular time, and in any particular set of circumstances, decide in regard to this bill. At present I leave responsibility where it rightly belongs, and I conclude with a final observation on that phase. If this bill should be passed—I may be permitted to pray, but not very hopefully, it will not be—and if this very elaborate machinery—so elaborate that I am inclined to describe it as a steam hammer to crush a peanut—should be set in motion, and if, by any miracle, the measure should become popular with the public, or alternatively, the public becomes reconciled to it, and then at any time the High Court should decide that it is outside the constitutional power, I shall have the consolation that a severe jolt of that nature, and I think nothing less will suffice, may drive the electors of Australia to a sane and sensible amendment of the Constitution, such as that so long advocated by members of the Labour party and so long opposed by those opposite. I support the amendment moved by my Leader to make this a better bill as far as possible along lines which he indicated so admirably in his opening speech. I join with him in his condemnation of the major faults of the bill, but, as I have said, I join with him with more enthusiasm in the suggestion that it should be withdrawn, and in the statement that it is not acceptable. My reasons for opposing the passage of this bill and, in the meantime, for supporting this amendment, really go deeper than those indicated, and fully expressed, by my Leader and other speakers, although it must be said that honorable gentlemen on my side of the House have left little unsaid which ought to be uttered in condemnation of the bill. Much play has been made upon the fact that the Labour party is favorable to a policy of national

insurance. That may be readily admitted, and if that were destructive criticism, the argument might equally well be urged against the fact that Labour was the driving force in the great body of social legislation which has been adopted by this country, by this Parliament and by the Parliaments of the various States. We have supported the policy of conciliation and arbitration; indeed, we drove others before us to have it put upon the statute-book. We have supported approved wages boards; we have asked for and gained safer and more wholesome conditions for workers in various avenues of employment; we have supported and put upon the statute-book a generous policy, in some parts of Australia at least, of child endowment, and given some consideration to the condition of widowhood. We have passed workers' compensations acts and fought for them in the Parliaments of all the States of the Commonwealth and in the Commonwealth Parliament itself. And so on through a very long list of legislative provisions which stand to the credit of Labour. Not that Labour was in power either in the States or in the Commonwealth in every case when those measures became law, but Labour was, I claim, in every case the constant driving force, if not in the vanguard, in the movements to bring about those necessary reforms. So far from being embarrassed by our opposition to this measure, we say that we oppose it in loyalty to the principle underlying our activities in building up that edifice of achievement to which I have just referred. It is true that, from our viewpoint—and most definitely from my viewpoint, because sometimes it is safer for me to speak for myself than for my party—all social legislation of the kind I have mentioned is merely ameliorative in character. It is, frankly, patchwork. We have proceeded on the theory of "one step enough" for the time being, for the "distant scene" is still apparently a very distant scene; still, we live on and work on in hopes. But the fact is that none of these measures to which I have made reference, or the measures necessary for their fulfilment, is comparable to the measure now before the chamber. The

Mr. Brennan.

outstanding point, to my mind, is that this bill, which professes in its words and through its professor, the Treasurer, to be a measure of social uplift, is really a measure for taxing the working classes. It would enforce upon them what the Acting Minister for Commerce (Mr. Archie Cameron), in a burst of candour in his own speech, described as "compulsory saving". Others on the Government side have said that it is an encouragement to thrift and, with almost unendurable irritating patronage some of them have added that it would enable the working class to maintain its self-respect. That, I think, is admirable. When my honorable friends opposite with tongue in the check have finished with these pious platitudes hoping thus to salve their own consciences, they have not altered the fundamental truth that this bill is to be employed as an instrument for extracting millions of pounds, willy-nilly, out of the pockets of the working classes in this community. That, surely, is everything.

Mr. HOI.T.—Does the honorable member consider it extraction to take a shilling and give five shillings in return?

Mr. BRENNAN.—The honorable member will, perhaps, allow me to take the points one at a time, so that the issue may not be confused. My present point is that this bill, which comes with fluttering wings as though it were an angel and a messenger of mercy, is, in fact, the harbinger of that essential fact that by force the bill proposes to take millions of pounds out of the pockets of the working classes without consulting them. It is like every other class of taxation. What are all classes of taxation designed to do? They are designed for the betterment of the whole community, but especially for the uplift of the working class.

Mr. THOMPSON.—The workers will get millions back.

Mr. BRENNAN.—Some of them will get something back, others will get a little back, and many more will get nothing back. Their money will be confiscated and, indeed, the very fact that it is being confiscated is one of the foundations and guarantees of the solvency of this measure. This money will be taken from the pockets of men employed at subsistence rates of pay who,

it must be remembered and insisted on, are the best-off class of the workers. They are those who are regularly employed, those who have the benefit of arbitration awards, wages boards awards or some other kinds of award regulating their rates of pay and the conditions of their employment. Their rate of pay is based upon the principle of what is necessary to maintain them—not what will enable them to save for their wives, their families or their children or for sickness, or to provide for a rainy day, but what will maintain them and, I suggest, maintain them at a working standard so that they can do their toil from day to day. This is taxation inasmuch as this money is to be taken from that subsistence wage and will reduce that bare subsistence wage. It is a tax, and a tax of a kind which, as has more than once been pointed out in this chamber, disregards the elementary canon of taxation, namely, that it should be imposed according to ability to pay. In that aspect it is not a gift, it is a taking away; in that aspect it is not a benefit, it is a burden. If that be so of the best-off of the working classes, men regularly employed at what is called a living wage according to those standards, how about that mounting army of the worse-off who, if they are unemployed long enough, will certainly lose all benefits because this bill salts their wounds of unemployment by telling them that sufficient unemployment will qualify them to lose everything they have paid in under this scheme? I know people, as I am sure honorable members do, certainly those on this side of the House, who have been unemployed for years, and have no hope of being employed again.

Mr. THOMPSON.—They are unemployable.

Mr. BRENNAN.—I absolutely deny that. Whom does the Minister describe as "unemployable?" Would he regard men of 45 years of age who lose their employment in factories in which, up till then, they had spent the whole of their working lives, and cannot find other employment? If they were unemployable in the sense meant by the honorable gentleman, they would probably be employable in some other occupation. They are no less deserving of security than are those who, from

his viewpoint, are employable. Industrial tribunals will not be able to make any concessions to the employee in respect of this sum which is to be deducted from the amount necessary for his daily existence. A sufficient reason is that the employer also will have to contribute to the fund. But there is another good reason of which the Government did not lose sight when it drew up this bill. It is contained in clause 185 of the measure, which forbids a tribunal making any allowance to the advantage of an employee on the ground that he has been compelled to contribute this sum out of his weekly wage.

Mr. HOLLOWAY.—I thought that the policy of the Government was not to interfere with the courts.

Mr. BRENNAN.—That is a point which is well worth stating. In committee we shall have an opportunity to examine this clause more closely.

One of the many fallacies which underlie this policy of taxation for a compulsory saving is the supposition that all who are on a given wage are equally able to save. They are not. The extent of individual obligation cannot be assessed by the Government, or, for that matter, by any tribunal. The power to save, and the nature and variety of the obligations which press on an individual, vary in a thousand ways in different circumstances. These are not within the knowledge of the Government, and cannot be within the knowledge of anyone except the person who shoulders those obligations.

It is but fair to say that the bill penalizes certain employers as well as employees. Although the Government is not adamant when the pressure comes from the right quarter, the fact cannot be gainsaid that so far the scheme leaves out of account the fact that those who earn the largest incomes employ very few persons, and in many cases none at all, whilst those who employ a large number of hands may themselves be in very serious difficulty. Yet the full measure of contributions is exacted in proportion to employment. It is to be noted, also, that the difficulties under which an employer in the latter class labours will be increased and exacerbated by this measure.

Mr. ROSEVEAR.—The more persons a man employs, the more will he pay.

Mr. BRENNAN.—The honorable member for Dalley (Mr. Rosevear) cited the very pointed example of the person who draws revenues from slum properties, thus making a contribution to the general ill-health of the community but no contribution whatever to the fund from which these pensions and relief payments are to be made from time to time. Of course, that individual is only one of a large number of persons who enjoy big incomes and yet are entirely immune from the necessity to contribute to the proposed fund. There is, for example, the landowner, who frequently is the largest monopolist, yet, by no means is a large employer of labour. There are the men who follow my profession. The honorable member for Ballarat (Mr. Pollard) made a merciful distinction between members of the bar, some of whom draw a very large income, and us general practitioners who employ clerks and draw a less handsome income. There are also the medical fraternity and the stockbrokers, and a long list of others, who enjoy large incomes and are not detrimentally affected by this measure.

When the Treasurer speaks of the Government subvention being very large—which it undoubtedly is—one would think that he was paying it out of his own ample resources, with such unctuous does he address himself to that phase. In fact, the payments are to be made out of Consolidated Revenue, and consequently out of money derived from indirect taxation, the bulk of which is paid by the working class.

Mr. HARRISON.—Does none of it come from direct taxation?

Mr. BRENNAN.—A relatively small proportion. The expression “contributory” is an attractive one, but it is more usually associated with voluntary gifts than with exactions of this kind; and in this case the exaction, as I have already pointed out, is a double one. The tax is not to be imposed in any sense upon the surplus income of the employee, but is to be taken from an income no part of which can be given up without the worker forfeiting, to the detriment of his

wife and family, some portion of that which is necessary for their maintenance—money which is there and then needed in order to procure the necessaries of life. It has been suggested that at some future time the nation may be unable to meet the pensions bill. This is the first occasion on which I have heard it seriously argued, in this Parliament or elsewhere, that a guarantee backed by the total resources of the Commonwealth, is inadequate for any purpose. The particular illustration given by some speakers on the other side of the House was a very unfortunate one. It has been correctly stated that during the régime of the Scullin Government invalid and old-age pensions were reduced. I am glad to embrace this opportunity—it is not the first, and presumably it will not be the last—to state publicly that I have never admitted, much less contended, that at that time the circumstances of this country justified the reduction of pensions. The composition of the legislature, and not the circumstances of this country, was the cause which led to the reduction of pensions. They were reduced as the result of perfectly dishonest pressure on the part of a dishonest minority in and outside the legislature over which the Government had no control. I should regard it as blasphemy, in the circumstances, to say that this country could not, out of its ample resources, have made the necessary contribution for the maintenance of its old-aged and invalid. As a matter of fact it was a period of great abundance, not of want; and unless this Government, or some other government similarly disposed, should plunge this country into a foreign conflict which may result in our forfeiting our birthright, there never can come a time when we shall not be able to make provision for those who have the first claim on our bounty or our justice, namely, the old-aged, the invalid and the helpless. Any submission to the contrary, I submit, either is the merest pretence or it arises from invincible ignorance and failure to see obvious facts. I think it is a good deal more pretence than ignorance on the part of those who persist in the argument that the money token is of more importance than the real wealth of the country. What proof have we that the present

scheme can be financed in all circumstances? What guarantee is there that if, in the future, as, unhappily, seems likely, we find ourselves in the trough of a depression similar to that which afflicted us before, notwithstanding that the land was overflowing with milk and honey, the Government will not cut down the benefits that contributors to this scheme are guaranteed? As was pointed out by the honorable member for Bourke (Mr. Blackburn), there was no hesitancy about reducing the benefits of superannuation when that general scheme of ruthless cutting was in force. From many points of view, the benefits to be derived under this measure will be precariously held, and, in any case, they will be slight. They cannot be assured to more than an uncertain proportion of those who set out lightheartedly in the belief that they will travel the whole long road from sixteen years of age to the time when they qualify for the old-age pension. When the present Government came into power, just as the country was emerging from the depression, it took credit for the improved state of affairs, indeed, going so far as to claim that it was lifting the world out of the depression by the confidence that it inspired; it continued the slashing of pensions, and added mortgaging the property of pensioners and introduced other harsh measures. Have we any reason to suppose that the present Government would act differently in the future? I have no reason to think that it would do so, for I have not heard a single word of repentance, or regret, for what it did then. The Government never seems to learn by experience. Moreover, the pension benefit, even under this scheme as interpreted literally, may be lost after a comparatively short spell of unemployment, and may not be regained until a further term of employment has expired. It is to be remembered also that the orphan's pension and, what is, perhaps, more important, the widow's pension, are dependent upon the qualification of the employee. They hang one from the other like a string of sausages. If the string is cut at the top, down fall all the benefits. If employment fails, if sickness becomes chronic, the Government has nothing to propose. In such

circumstances, the Government washes its hands of the whole business.

[Leave to continue given.]

It is on account of this dishonest jugglery with the monetary system, that the wage-earner lives in constant dread of unemployment. For that the bill makes no provision whatever; the House has already decided that issue. By reason of orthodox finance, as it is called, but which I call the make-belief as to the capacity of the nation to pay, the system which makes millionaires by the dozen and paupers by the many thousands, the worker cannot provide for sickness in respect of either himself or the members of his family. Indeed, his poor condition of health is often aggravated and intensified by the mental condition of anxiety and apprehension. Add to that the burden of debt, the pressure of creditors, and the fact that his family is inadequately housed and clothed, it all reacts eventually upon the health of the employee. To those who say, "Very well, that being the lot of the worker, it is well to agree to this small exaction from his wages when he is in work in order that he may have something in his old-age, or provide some pension to his widow, or some little contribution to his children", my answer is that only a few among the workers can save money, and that those who are in a position to become contributors to this scheme save it now. There are, of course, exceptions, and they also, by the way, are largely the creatures of a defective social system. The fact remains that a great majority of those who are able to save for the inevitable rainy day do save. I have always found a readiness on the part of the working man to invest his savings in acquiring a home for himself, and providing a roof over his children's heads. That applies to those who are in a position to save, and, therefore, it applies to those who are in a position to pay under this scheme. Moreover, the more fortunate few will avail themselves of the existing machinery of the friendly societies—associations of persons who are rightly anxious as to the effect of this legislation upon them, and to whom the community as a whole is deeply indebted—and of the trade unions: and if they

can still save money, they will put it into the savings bank. The fact that such cases, instead of being the universal rule, are exceptional, is entirely due to the outrageous social maldistribution under which we live, and not to the absence of any such pawky, herring-gutted, attenuated pension scheme as that which we are now considering. Once we set up, under the aegis of a statute, the principle that it is the duty of the poor to maintain the poor and the privilege of the rich to avoid taxation, we entrench as a legalized system that which was hitherto regarded as nothing more than a shameful abuse, and to the claims of all future reformers there will be one answer, "You have your national insurance."

The honorable member for Parramatta (Sir Frederick Stewart) was amusing when he spoke of the defects and imperfections of the existing pensions legislation. He cited a number of those imperfections, and then turned to the members of the Opposition and inquired whether they thought that that was the kind of legislation that should remain. My answer to that is that it is competent for the honorable member for Parramatta, and those who support him, to amend the existing pensions legislation with the hearty support of every member of the Opposition at any moment they like to make the attempt. I do not deny that a pension of 12s. 6d. a week is better than nothing. Nor do I deny that those who will be privileged to "enjoy" the sick benefit or the disablement benefit, such as it is, will welcome it. Neither can it be denied that if a person buys no bread and butter this week he will have twice as much to spend on bread and butter next week. Although it remains true that "man does not live by bread alone," it remains equally true that bread is a commodity which is required for daily use, and not for intermittent or occasional use. That applies to the necessities of life generally. I am familiar with the Treasurer's theory that the old are living longer, and that there is a regrettable hesitancy to increase the population. I am aware also of his prognostication that, if we continue as at present, we shall be involved in an expenditure of millions of pounds annually—£30,000,000 in a few

years—in respect of pensions. I was favorably impressed by the speech of the honorable member for Ballarat (Mr. Pollard), who pointed out that these prognostications were fallacious. They are in any case of doubtful value. They remind one of the lines of argument familiar to Malthus in his day, and he is not now accepted as a reliable authority on economics. When the Treasurer spoke about this natural progression to disaster, he put himself on the same footing as the statistician who estimates that if for the next 1,000 years our population increases at the same rate as it has been during the last ten years, it would follow that there will not be enough space on the face of Australia for the population to stand, let alone to lie down. But, in any case, having regard to our vast resources and what our friends opposite are pleased to call our exportable surplus of wool and foodstuffs, I reject with scorn and contempt the outworn theory that it is beyond the wit of man to bring these ample resources within practical reach of the people who require them. I know how inveterate is the doctrine of possession, and the legal right of spoliation; but evil gains nothing in respectability from age, and hypocrisy does not mellow into sincerity with the flight of time.

With regard to the inequality of men's and women's pensions, I point out that the Government proposes, by this bill, to take away from woman what the legislature deliberately conceded to her many years ago when the pensions legislation was passed. We remembered then the disabilities attaching to her sex—the fact that she was a widow, in many cases—and we recall the fact that it shocked the conscience of the times that she should be asked to compete in the industrial welter. None of these things has affected this Government, which cuts down her pension with singular lack of chivalry, and even of decency. This Government, it is said, has yielded, under pressure, certain important concessions which its own sense of fitness never suggested. The claims of a wife and children to medical benefits, and the proposed inclusion of certain classes of workers who are not employees, are, as the result of a

barrage of criticism, to be considered with others. We shall have further opportunities to discuss these points when the bill is in the committee stage.

Sir HENRY GULLETT (Henty) [6.5].—I have listened with much pleasure to the remarks of my friend the honorable member for Batman (Mr. Brennan). It was one of his characteristic speeches, reminiscent of other years, but I was far more intrigued by the manner of it than the matter of it. It was typical of the amendment submitted by the Leader of the Opposition (Mr. Curtin), and of most speeches delivered by honorable members opposite. I regard the scheme as a great measure of social justice, whilst the amendment is entirely suggestive of the barren political record of honorable members opposite. To my mind it is a mean amendment, purely partisan and destructive, the sole objective being to mar and break the bill. One can put no other construction upon it. With the exception of two years, a period of about 22 years has elapsed since the party opposite has been in office, and for 20 of those years it has not written one line upon the statute-book, nor contributed to the writing of one line in aid of the workers whom it is alleged to represent. The present attitude of the Opposition is that of the dog in the manger—it can do nothing for the working man whom it comes here to represent, and, if possible, it will prevent honorable members on this side from doing anything to help him.

Mr. MAHONEY.—What has the honorable member done for the working man?

Sir HENRY GULLETT.—Anything done in this Parliament during the last 20 years has been accomplished by the party on this side.

Out of that simple truth comes the spirit and the matter of the amendment, and I shall vote against it with all the contempt of which I am capable. As I do not take it seriously, I shall not waste much time in discussing it. I pass on to the bill, for the second reading of which I shall vote whole-

heartedly. I regard this measure as the best essay at social advance since the inception of federation. It is true that the scheme is not a complete one, but no measure providing for national insurance has been complete upon its introduction. This measure has been described as an instalment only, and some honorable members, including the honorable member for Batman, have called it a despicable instalment. Yet it is a great measure, as it will ensure medical treatment for 1,500,000 more working people of both sexes than is provided at the present time. Also it provides those who are insured with financial aid during sickness and any disablement period which may follow; benefits will be available to the children of the insured during the latter's sickness and disablement. The scheme provides a pension for widows and their children up to the age of fifteen years, and orphans are not overlooked.

The old-age pension is to be placed upon an entirely new basis. We have been told that something is to be taken away under this measure, but aged people will receive the pension without first declaring themselves paupers, and without having their poverty probed by government officials. That is the brand which the boasted system now in operation puts on aged people of slender means or of no means. Instead of that, provision is to be made on a sound basis for a payment which will be made without a means test. Despite these great benefits, which will extend to almost 2,000,000 persons, and, including children, to over one-half of the population, we are told by honorable members opposite, and even by some honorable members on the ministerial side, that this is a poor little bill. The measure is to be very closely followed by a great extension of these benefits. The Government has, in specific terms, committed itself to the introduction of another measure, at an early date, certainly within the life of the present Parliament—I shall be disappointed if not within a year—which will greatly widen the range of benefits. The further

instalment will cover all self-employed persons of slender means. In addition, all children of both the compulsorily and voluntarily insured persons will receive medical benefits. There is nothing vague about the second instalment of the scheme. The Government brings it in, or falls. I say that by no means by way of intimidation, but, as the Government has made its promise, I believe that it will fulfil it. Judging by the wild and reckless attack made upon the bill, honorable members opposite are very unwilling to hear that, at an early date, this measure will become a much greater one. I commend the Government for its action, and I particularly congratulate the Treasurer (Mr. Casey) upon the enormous amount of sincere work done by him in connexion with the preparation and introduction of the bill.

Sitting suspended from 6.15 to 8 p.m.

Sir HENRY GULLETT.—As I was saying, I congratulate the Treasurer upon his fine achievement in the preparation and presentation of this great measure. The quality most called for in public men in this country to-day is courage, and there is great courage behind this bill. As a private member I should like also to associate myself with those who have expressed their deep thanks to the able and distinguished British public servant, Sir Walter Kinnear, who has contributed so much talent and experience in its preparation. Further, I pay tribute to the honorable member for Parramatta (Sir Frederick Stewart). He should be a very happy man to-day, because I believe that, had it not been for his very strong, sympathetic and sustained endeavour, this bill, although belated as it is, might not even have been before this House by this time.

Whilst, as I have already said, I take this as an instalment and rejoice that it is to be followed immediately by another great instalment, I still look upon it as the greatest measure of social progress that has yet been before this Parliament.

I do not intend, therefore, to indulge in criticism of it, particularly criticism of a close or hostile kind. Its shortcomings are obvious, and its omissions inevitable. Yet as it stands it is a great measure involving a great work and entailing great expense, and I am well content with it—as a beginning. I regard it as a commitment upon all parties in this House. I believe it will certainly be followed stage by stage in the near future by supplementary measures, until national insurance, in a comprehensive way, is complete. That is why I rejoice in this measure and why I am satisfied with it at the moment. It is a commendable venture requiring the rarest of all qualities—courage—and it will lead on until by a very early date, the Australian man and woman on the lower incomes—that is, the great majority of our people—in whatever calling or place they find themselves, will be able to stand up and say that they are reasonably secure against adversity. That is the great objective of national insurance, and I rejoice that this grand beginning has been made.

I intend to touch upon only three important phases of this subject: First, the position of women under the bill; secondly, the friendly societies; and thirdly, the position of the medical profession. At first glance, I was concerned as to the position of women under this measure. It seemed to me that there was inequality in that respect, but the more I have studied it and have heard the Treasurer speaking on it, the more I am convinced that this is an acceptable and fair bill to the women of Australia. It is already generous to them. I believe that the men under this insurance scheme will be contributing in a substantial degree to the benefits inadequately paid for by the women who will be affected by the measure. If one can associate chivalry with material things, it would be very simple for us in this House to make the benefits of the women equal right through with those of the men; but it is very easy to be generous with other people's money. We have gone a very

proper and very generous distance in that direction. I am aware that the restraining influences with the Treasurer in respect of many features of the bill, are capacity to pay and practicability; but I should like to see all parties, if not now, at least in the near future, bend their endeavours to bring about the payment of £1 to insured women at the age of 60, and dispense with the means test in respect of the last 5s. I utterly dislike the means test with respect to the old-age pension. It is a very strong detriment to thrift. As we all know, it leads to a measure of positive dishonesty and influences quite a number of people to dissipate, or get rid of, a sufficient amount of money, possession of which would be a hindrance to their receipt of the old-age pension. Although I admit that they can insure on a voluntary basis to obtain that 5s., and thus preclude a means test, I hope that, irrespective of party, we shall all aim eventually at giving the full £1, without a means test, to the insured women of Australia upon reaching the age of 60.

I am very jealous of the position of our great friendly societies in Australia. To me they represent one of the best assets of this young nation. Upon the number and strength of its organized earnest men and women depends the security, to a large degree, of a young country like ours. Through them we are protected from trouble, whether it be economic or other trouble from within, or danger from without. Among the organized bodies of this country I place the friendly societies very highly. They exercise a great moral influence. They take within their ranks large numbers of our youth at an age when youth is most susceptible to undesirable influences, and one who has attended meetings of friendly societies cannot fail to be impressed by their earnestness, discipline and general influence for good over their young members. I should, I think, be almost completely hostile to a form of national insurance which clearly was prejudicial to friendly societies, or which even did not give a very generous opportunity to such societies to expand. It had been my intention—and I do not withdraw that intention at this stage—to move in committee, not to give to

friendly societies exclusively the right to form approved societies under the measure, but to narrow down the approved societies to the friendly societies, trade unions, and employers' benefit funds which already exist or may come into being later on. It was my intention to move for the exclusion of life insurance societies in this respect. I do not see what claim life insurance societies have to participate in this measure. The friendly societies have established a very great record; they have been the pioneers in this field. There has been a disposition on the part of some members of the Government rather to underestimate what the friendly societies have done, pointing out that to-day they have only some 400,000 insurable members, whereas this bill aims to insure 1,850,000 persons. On second thought, however, those honorable gentlemen must agree that the insurance of 400,000 Australians with benefits extended to something like 1,000,000 souls by friendly societies to-day, is a very notable achievement indeed. It shows that those societies are completely capable of doing this work on a very much larger scale than that on which they are engaged at present. It may be that they are not of equal efficiency in all of the States, but I know that in Victoria they operate under very strict governmental supervision, and have done their work there remarkably well. I do not know of any serious grievance having arisen at any time in respect of the administration of their funds or their activities generally. I still believe, therefore, that the administration of this great national insurance scheme might safely have been entrusted to them. The Government, however, has decided to allow life insurance companies to come in as approved societies. I have no doubt that they will be highly efficient, but I ask the Government—and I shall use a harsh word—strictly to police the life insurance societies with respect to canvassing. It would be improper for me to make any reference in detail to the evidence that has been given before the Royal Commission on Industrial Assurance now sitting in Melbourne, but the great wealth of evidence given before the commission on the quality of the canvassing engaged in by many of the insurance companies

goes to show that the Commonwealth Government, under this scheme, must—I am glad to have the assurance of the Treasurer that it will—devise machinery with heavy penalties against the abuse of the right of canvassing.

The Government has, as all the House knows, since this measure has been produced, clearly indicated its intention to make an early expansion of national insurance. Part of the expansion is to bring under insurance, by the payment of a bounty, the dependants—the wives and children—of insured men or insured married women. The work is to be done under a voluntary scheme which is—I hope the Treasurer will correct me if I am in error—to be worked by the existing organizations which engage in work of that kind.

Mr. CASEY.—The honorable member is not in error.

Sir HENRY GULLETT.—I am glad to have that assurance. It means a widespread field of insured dependants which will be subsidized by the Commonwealth and entrusted to the friendly societies, trades unions, and employers' benefit societies in existence at the present time. The new work must mean greatly added strength to the friendly societies, and added opportunity in every direction. It does, to me, take out the sting or the hardship of the competition of life insurance societies against friendly societies and the trades unions in respect of insured employees. Therefore, I do not, at this stage, express my intention, as I had intended to express it, to move an amendment in committee to exclude life insurance societies.

I come now to the position of the medical practitioners. At the outset, I wish to say that I, in common with, I daresay, a great many other honorable members of this House, have not words to express my direct and indirect indebtedness to members of the medical profession in Australia. I should be the last to associate myself in any way with a measure which threatened to under-remunerate the members of the medical profession. We are not here to sweat the doctors of this country. We are here

to come to a fair arrangement with the medical profession. But, we are here also as trustees—trustees in a very special sense. The Government will not be the main contributor of the money that will be paid to the doctors. The main contributors, as measured by their capacity to pay, are to be the workers of Australia. Therefore, we should be false in our position as trustees for both the employees' money in a special sense, and the employers' money, if we allowed ourselves to be influenced into the payment of a rate beyond a fair rate, to the doctors of Australia. I am all for a fair rate. I think, however, that inasmuch as the medical profession was apparently working along with satisfaction to itself under the rates paid by the friendly societies, those friendly society rates should be taken as the fair basis upon which to estimate the rates to be paid under this bill. I am not competent to express any opinion as to what is a fair rate. I wish merely to read passages from the editorial of the current month's *Medical Journal of Australia*, which is the official mouthpiece of the Australian branch of the British Medical Association, upon this subject. This journal is published in Sydney, in New South Wales, the seat of the present dissatisfaction, if not revolt, against 11s. a head for medical services, agreed upon recently by the executive of the British Medical Association and the Commonwealth Government. This executive was elected in a very representative way, on a completely democratic basis. Members of the profession in the States elect State councils, which in turn elect the federal council, which then chooses the executive—that executive which conferred with the Commonwealth Treasurer to decide upon the proper remuneration of doctors under this scheme. There is no doubt as to the representative nature of this executive. It is no hole and corner thing, but is representative of the doctors themselves wherever they are found.

Mr. BEASLEY.—The honorable gentleman is not putting up a fair case.

Sir HENRY GULLETT.—The honorable gentleman has not even let me come to the point. I am surprised to find the honorable member for West Sydney tak-

ing up any attitude but one of the deepest concern for the workers' money.

Mr. BEASLEY.—And proper medical treatment.

Sir HENRY GULLETT.—I do not agree with that. I cannot conceive of the doctors of Australia, as I have known them all my life, giving of anything but their very best professional skill to the people of this country, under whatever terms are reached between them and the Government. I repeat that I should like to take the argument of this medical journal as to why the agreement was reached and as to why this amount of 11s. a year, to be paid for every person insured, should be accepted. I shall not paraphrase this article; I shall read passages from it, and allow the argument of the doctors themselves to appeal to the House. This article no doubt was inspired by members of that very executive which entered into that agreement. This is their case as they put it—this is their plea to the profession—as to why 11s. should be accepted—

The Government made it quite clear that, in order to ensure the smooth working of the scheme, it would seek the co-operation of the medical profession. Obviously, the profession had to formulate its ideas and be prepared, not only to state the terms under which it would accept service, and to give substantial reasons for having adopted them, but also to do its utmost towards the securing of an adequate service to the public.

"Adequate services to the public!" That answers the honorable member for West Sydney (Mr. Beasley).

Those who followed the reports of the meetings of the Federal Council of the British Medical Association in Australia, published from time to time in this journal, will know that much time and much thought have been given to this subject. It was for this very reason that the Federal Council at its last meeting appointed an executive committee; and this committee has recently been in conference with representatives of the Federal Government.

So it is perfectly clear that this federal council in the first place, elected by the six State councils, which are elected by every member of the profession, gave a great deal of time to the preparation of its case.

Mr. MAHONEY.—That would be the inner group.

Sir HENRY GULLETT.—It could not be an inner group. It is thoroughly representative. We pass on—

The principal decisions reached at the conference had to do with the terms of service of the medical profession. It was decided: (i) That the capitation fee for a general practitioner service, excluding treatment in respect of a confinement and treatment of an insured person who becomes entitled to the benefits of any Commonwealth or State Workers' Compensation Act or Seamen's Compensation Act, and excluding major operations and administration of anaesthetics (requiring the presence of another practitioner), be eleven shillings.

I pass over the other things decided upon because this is the main issue. I reiterate that this is the official journal of the doctors of Australia. The editorial proceeds—

The capitation fee was determined by consideration of the remuneration at present being paid for contract practice in all the States of Australia. The average rate of payment in metropolitan areas is 25s., and in country areas 30s., the weighted average being 27s.

Mr. NOCK.—But that does not apply to the individual.

Sir HENRY GULLETT.—That is all dealt with. The article goes on—

However, in view of the dissatisfaction which has existed in Victoria in regard to the capitation rate for contract practice, it was decided that the standard of payment for these purposes should be that existing in New South Wales, namely, 26s. in the metropolitan area and 32s. in the country—an average of 29s. Each friendly society lodge member on a medical practitioner's list obviously represents more than one person receiving attendance: and it became necessary to determine this figure. Apparently, the only reliable statistics regarding dependants are those of the Government Actuary in Victoria, who states in his valuation report of the friendly societies, that each lodge member (he includes unmarried members) represents 3.2 persons. Therefore, dividing 29s. by 3.2 we have the figure of 9s. 0d. as being the amount actually being received at the present time by medical practitioners for the treatment of each individual entitled to lodge benefits. The friendly society system of contract practice is not an "all-in" service, in that certain extras have to be paid for by the lodge member. In other words, it was necessary to discover how much would have to be added to the 9s. to provide remuneration suitable for the service to be given under the proposed scheme of national insurance. The only figures available as to the

amount received by medical practitioners by way of extras were those obtained by the New South Wales branch from a questionnaire submitted to its members last year. The amount received from each lodge member was 9s. 6d., so that the average received from each person entitled to lodge benefits was 3s. This gave as a capitation rate for a complete service (excluding treatment in respect of a confinement and treatment of an "injured worker" lodge member entitled to the benefits of the Workers' Compensation Act) the amount of 12s. After the matter had been debated at length it was decided to exclude anaesthesia from the medical benefits and to make the capitation fee 11s.

Here is a point to which I particularly wish to direct the attention of honorable members—

It has been claimed that friendly society members represent selected risks, and that therefore an amount should be added to the capitation rate. In opposition to this view it is pointed out that no person will be insured who is not employable, and that no insured person will be entitled to medical benefits until he has been insured for three months. Moreover, the average age of friendly society members is 41.9 years, and it is computed that the average age of those who will be insured will be 31.5 years, the latter age regarded as having a sickness rate 30 per cent. less than the former.

It is not I who am saying that, but the mouthpiece of the medical profession. In other words, because of the ten years lower average age of those who will come under the national insurance scheme, this official journal of the British Medical Association says that 30 per cent. less medical attention will be required by them than is at present being given by doctors to patients in friendly societies for the equivalent of 11s. per head. I make no comment on that. It speaks for itself.

Mr. MAHONEY.—That is the opinion only of an inner group of medical men.

Sir HENRY GULLETT.—It is a thoroughly representative opinion. The article goes into the mileage question. The mileage basis is worked out, as honorable members will see if they follow the argument through, on the assumption that the average income of a doctor is £1,500 a year, that he works 48 hours a week, earns 12s. 6d. an hour, and travels at 25 miles an hour. At 6d. a mile profit on a car he will earn 12s. 6d. an hour while he is travelling.

Mr. FORDE.—Who is the editor of that journal?

Sir HENRY GULLETT.—This article must be impressive to any fair-minded man who reads it.

[Leave to continue given.]

I ask for very little further indulgence and forbearance. I shall now quote one more passage—

The conditions of service that have been set out have been accepted by the executive committee of the federal council as reasonable in view of conditions of contract practice obtaining in Australia at the present time. Some practitioners may think that the terms of service are not what they should be; if there are any such persons, they must remember that claims for remuneration in a matter of this kind must be justifiable. On available data it would be extremely difficult to justify claims for better conditions, except perhaps in one or two minor points. The federal council has done its duty to the community and to the profession which it represents.

I again emphasize this point—

For years the medical profession has been telling governments that it has the welfare of the community at heart, and that its objective is the provision of a proper medical service for the people. Thus when the Federal Government has brought forward its scheme of national insurance and asked for the co-operation of the medical profession, co-operation was gladly given. Whether the scheme is ever put into practice remains to be seen; but if it does come to nothing, no one will be able to say with truth that the medical profession did anything but try to assist in its inauguration.

Mr. FORDE.—What is the date of that?

Sir HENRY GULLETT.—It was published in May. It is common knowledge that there has been a good deal of unrest in the State of New South Wales among a large number of practitioners who are against the British Medical Association. There has been a lot of discussion on the formation of another body—in other words, there is a threatened breakaway movement. I do not expect a breakaway, but I do suggest, in view of all the talk, that there is a possibility of a section of the profession taking this opportunity to make war upon the British Medical Association. I earnestly suggest further to members of this honorable House that we cannot accept a

ballot of medical men on this matter. Could there be anything more preposterous than to submit to any body of men the question whether for any given service they should accept a given sum or that sum plus 20 per cent. or 25 per cent? As long as human nature is as it is, if the doctors were ten times as disinterested as they are the great majority of them would inevitably vote for the higher amount.

Mr. HARRISON.—What about a court of inquiry?

Sir HENRY GULLETT.—I am coming to that. I suggest a fair and prompt solution which will not hold up the bill. The doctors could appoint a small executive committee, say of three or five members, or of one person from each State, and the Government could also have a representative. The committee could be presided over by a High Court or a Supreme Court Judge. That little tribunal could consider the position as it is at present, move forward to the national scheme, and fix what should be acceptable as a fair rate.

Mr. CASEY.—That would be rather dangerous for the doctors.

Sir HENRY GULLETT.—Yes, it might be. The committee that has just made the investigation admits that insurable people under the national scheme will require 30 per cent. less service than the patients in friendly societies. I cannot believe that doctors under this scheme will not be well served. I express that view, but I do not lay it down definitely. I leave the question with the Government.

Mr. COLLINS.—There should be a differentiation between city and country doctors.

Sir HENRY GULLETT.—That could be done by regulation. There is obviously room for the Government and the doctors, if they are working under the scheme, to make amendments by regulation. The bill is an instalment. There is promised immediately upon its heels a greater insurance scheme. I believe it will lead to unemployment insurance and even to general insurance, as its practicability is revealed and the capacity to pay is ascer-

tained. On those grounds I congratulate the Treasurer and commend the bill to the House.

Mr. MAKIN (Hindmarsh) [8.43].—The longer this debate proceeds the more the House must become convinced that the legislation we are considering is ill-conceived, hopelessly inadequate, and wholly unsatisfactory. I would ask honorable members to bring their minds to bear on the number of speeches delivered in this House in which honorable members have said they are very glad that other measures will be introduced to supplement this legislation and that this bill is only an instalment. We are thus given a very clear indication, even from the mouths of those who support the Government and from the sponsors of the bill, of its hopeless inadequacy. The Government would act judiciously if it withdrew the measure and remodelled it to include features which honorable members on both sides of the chamber have described as essential to an effective national insurance scheme. It would be ridiculous for honorable members opposite to support a bill of this description knowing full well that it must prove entirely unsatisfactory to the general community. Our people have great ambitions in regard to social insurance. They desire not only health and medical services but, most of all, some form of unemployment insurance. In my opinion the Government has adopted quite the wrong procedure in dealing with this subject. Apparently it intends to leave the most pressing problem until last. Although we, admittedly, have no effective means to cope with the disadvantages and even terrors of unemployment—we saw, during the recent depression, the stark tragedy of unemployment—nothing apparently is to be done to cope with the situation. I say emphatically that unemployment insurance is the most pressing need of the day. Very few honorable members opposite have paid attention to the serious and inevitable repercussions of this ill-conceived scheme. Reactions will have to be faced not only in the sphere of public health which the Commonwealth Government administers, but even more seriously in those spheres which fall within the responsibilities

of the State governments. I am particularly concerned about the possible effects of this measure on public hospitals. Unquestionably if this scheme becomes operative, many contributors to voluntary hospital and medical funds of one kind and another will withdraw their support. Although this measure does not purport to provide hospital services, persons compelled to contribute to the national insurance fund will be apt mistakenly to assume that they are also providing for any hospital services that they may need. Hospital funds are, as honorable members are well aware, largely supported by contributions from groups of employees. The bill seriously threatens the future of these valuable aids to our hospitals and sanatoriums. The individuals in these groups will undoubtedly consider that a payment of 1s. 6d. a week will entitle them to all the health, medical and hospital services that they are likely to require, and they will cease their contributions to voluntary funds. This will seriously affect the revenue of many hospitals which are to-day rendering an invaluable service to the whole community.

This one consideration should be sufficient to cause the Government to either withdraw the bill or adjourn the debate on it for a month or even longer in order to investigate the effects that the scheme is likely to have on many institutions and other community interests. Moreover, an adjournment of the debate would enable the Government to consider carefully the claims of people who, on the one hand, seek exemption from contributions and, on the other, request inclusion in the scheme. Obviously it is impossible adequately to consider these representations while the debate on the bill is in progress. I fear that unless many more of the basic requirements of a proper scheme of national insurance are provided in the bill, the whole scheme will face failure from its inception. This would be extremely unfortunate. In the circumstances in which we find ourselves the Government will render a serious disservice to the community, and to the great principle

of national insurance, if it forces the issue at this stage. I fear also that the general public will be given an entirely false conception of the value of this great social benefit.

Insufficient attention has been devoted to the probable effects of this scheme upon the friendly societies of Australia. I have a very high regard for the value of these organizations. They are among the greatest institutions of our community life. Probably no agencies have done more to contribute to the development of a proper sense of good citizenship than have the friendly societies. Not only have the lodges enabled men and women to meet together to deal collectively with their social needs in the way of medical benefits and sustenance in time of sickness, but they have also rendered a wide community service in equipping men and women who have not had great opportunities in other spheres to take a worthy part in local government activities and even in connexion with Parliament itself. The friendly societies and trades unions have been a splendid training ground. Consequently any legislation which is likely to have the effect of cutting the membership of these organizations in half should be subjected to the most careful scrutiny. An inevitable result of this scheme will be that young men and women who might be attracted into friendly societies will decide that membership of these bodies is now not necessary. Another factor that cannot be overlooked is that many persons not eligible for insurance under this scheme will be obliged to pay at a much higher rate as members of friendly societies for the benefits to which they are now entitled. This must mean that many societies will be seriously handicapped in their work.

Still another adverse effect that the scheme is likely to have on friendly societies is that it will impair the good work now being done among juveniles. Under this bill juveniles between the ages of fourteen and sixteen years will be entitled to medical benefits only on the payment of a contribution of 8d. a week—4d. of which will be provided by the insured person and 4d. by the em-

ployer. Do honorable members realize that many friendly societies are to-day providing this service for a fee of 3d. a week? Another objection I have to offer in this connexion is that, although juveniles upon reaching the age of sixteen years will be required to pay the full contribution of 1s. 6d. a week, they will not be entitled to full benefits until they reach the age of 21 years. This to my mind is totally unjust. It is astounding to find that, whilst an Australian youth of sixteen has contributed 1s. 6d. weekly to this scheme—a higher rate than he should be asked to pay—he will be deprived of full benefits until 21 years of age, whereas it would be possible for a person recently resident in Australia and who may even be a foreigner to claim full benefits after 26 weeks and a disablement pension after 104 payments. In these circumstances it cannot be said that the scheme is fair and equitable. Up to the present the relations between friendly societies and the members of the British Medical Association have been most cordial. Although medical services provided to friendly societies have been of the highest standard, and work has been conducted under most harmonious conditions, it is now proposed to disturb what has proved to be a much superior arrangement than that proposed by this bill. We are not entitled to impose a demand upon the medical profession which definitely lowers the status of their practice and then threaten them with what is almost equivalent to duress if they do not comply. This measure goes much further than some honorable members imagine. It is not merely a means of carrying out our ordinary health and medical services, but members of the medical profession will also be required to accept a responsibility which they do not now carry under our present pension system. A good deal of the medical work associated with pensions is done through governmental departments; but by reason of the disablement benefits now so substantially covered by existing legislation, doctors will be required to undertake work previously undertaken by departmental doctors, and also to receive a remuneration lower than they are receiving from friendly societies. Those

affected by this legislation should not be in a worse position than they are to-day. If the work is to be smoothly and harmoniously conducted, and the standard of efficiency is to be high, it is our responsibility to see that conditions likely to cause friction, concern or injustice are entirely eliminated.

The Treasurer (Mr. Casey) has tried to make us believe that no one has protested against this measure; but I have not heard of any section of the community which favours it. Those who are supposed to be beneficiaries are not at all enamoured of the scheme. This bill is greatly inequitable to women who have an absolute right to equal status in benefits to men. They desire some form of national protection against unemployment, sickness and invalidity, and particularly one that is universal to all members of the community, but this scheme does not contain the features they desire.

MR. RANKIN.—They do not realize the benefits they are to receive.

MR. MAKIN.—They are quickly becoming aware of the position in which they will be placed when the measure becomes law. When the honorable member for Bendigo returns to his constituency, he will realize that there is intense dissatisfaction with the scheme. If he were candid, he would admit that the bulk of his correspondence lately has consisted of letters protesting against this legislation, and I challenge him to deny it. I invite him to produce one letter he has received expressing approval of the bill. If such a letter can be produced it should be preserved as a unique document. Those who are supposed to be beneficiaries are dissatisfied with the bill. The friendly societies are apprehensive of their rights and of the protection they will receive, and those who have to provide the medical services are irritated and dissatisfied with the conditions set down for them.

MR. BEASLEY.—They say that they will not work under them.

MR. MAKIN.—The members of the medical profession have made serious

complaints concerning the remuneration they are to receive and that position must be satisfactorily adjusted, and not dealt with by an arbitrary method which has characterized the Government's actions up to this stage.

The most serious feature of this legislation is its humiliating nature particularly when studied in conjunction with our present invalid and old-age pensions legislation; because an attempt is being made to differentiate between a pension as a right and what some regard as an act of charity. For many years we have been endeavouring to make the recipients of pensions understand that the small amount that they receive is theirs by right and is not charity, but when this scheme becomes operative those who apply for the invalid or old-age pensions will be made to feel that they are paupers. For two years the present Treasurer administered one of the most reactionary phases of our invalid and old-age pensions legislation which demanded that on the death of a pensioner the Government should be reimbursed from his estate the amount of a pension paid. Moreover, some persons were compelled to contribute towards the maintenance of relatives receiving invalid and old-age pensions. In every possible way the Government endeavoured to defeat the purpose of the Invalid and Old-age Pensions Act, and thousands of persons surrendered their pensions rather than submit to humiliating inquiries. The Government has introduced this legislation with the idea of providing social services to the people, and a means whereby the people shall pay for their own pensions. It is therefore equivalent to a class tax. The Treasurer was sufficiently candid to say that under this bill it was expected that, although the amount for pension purposes would increase from £15,000,000 to £32,000,000 in 40 years, but that at the end of that period the Treasury would not be required to provide out of general revenue an amount greater than will be required next year. That really means that the amount will have to be made up by means of a special tax upon the working community.

Mr. RANKIN.—And upon employers too.

Mr. Makin.

Mr. MAKIN.—The employers have to provide £5,500,000 per annum at the outset, which amount will ultimately be increased to £7,750,000 per annum; but the proportion which the employers contribute will be passed on to the community by higher prices thus increasing the cost of living. The workers will not be allowed to make a claim before the Arbitration Court for higher wage standards because of heavier costs in the form of contributions, but the employers will be able to recoup themselves by passing on the cost to others. Those who come under this legislation will not be the only ones who have to meet higher costs in that respect; but because every member of the community will be faced with a higher cost of living. This will depreciate the value even of the existing old-age pension, because the pensioner must bear his share of the cost of the scheme in the form of higher prices and indirect taxation. In every way possible the Government is seeking to levy from the people who can least afford it the cost of this insurance scheme, which should be nation-wide in its application as regards both benefits and costs.

The other night, the honorable member for Richmond (Mr. Anthony) said that the Opposition had not put forward a detailed scheme to replace the scheme which they criticized. To-night, the honorable member for Henty (Sir Henry Gullett) said that, with the exception of one brief spell of two years, the Labour party had been in the shades of opposition for 22 years, and that during the whole of that time it had not been responsible for adding a single line to the statute-book. If that be so, then the party opposite must be culpable for the inordinately long time taken evolving the present insurance scheme, which is probably the most incomplete and unsatisfactory expression of social insurance that it is possible to imagine. The Government excuses itself for the poorness of its effort by saying that it hopes to make improvements and additions as time goes on. I fear that those honorable members who expect the Government to honour this promise will receive a rude awakening. I have here the report of an address

delivered by Mr. Savage, the Prime Minister of New Zealand, regarding the social insurance scheme which is to be inaugurated in that country. The Labour Government has been in power in that dominion for less than three years, but it has done more in that time to promote the social welfare of the people than did all the governments that preceded it. The report is as follows:—

SOCIAL INSURANCE IN NEW ZEALAND.

Dealing with the health scheme, Mr. Savage said that the Government proposed a universal general practitioner service free to all members of the community requiring medical attention. It also proposed free hospital or sanatorium treatment for all, free mental hospital care and treatment for the mentally afflicted, free medicines, and free maternity treatment, including the cost of maintenance in a maternity home, and, in addition, a grant would be made through some suitable agency to assist mothers in special circumstances to provide an outfit for the baby.

"These are the proposals which we think can be established at the outset," said Mr. Savage, "but, in addition to these, we will establish when practicable the following services:—(1) Anaesthetic; (2) laboratory and radiology; (3) specialist and consultant; (4) massage; (5) transport service to and from hospital; (6) dental benefit; (7) optical benefit."

In addition to these benefits, it is proposed to provide home nursing and domestic help when the necessary staff has been trained to make such a proposal practical. The Labour Government will also provide for an extended health education, this being a continuation of measures to educate the public in the promotion of health and the prevention of disease.

Other benefits by way of increased pensions were announced as follows:—

Invalidity Pension.—Pension granted in 1936, £1 per week.

Proposed New Pension.—£1 10s. per week. • Plus 10s. a week for the wife, plus 10s. a week for each child under sixteen years of age. Maximum pension £4 per week.

Sustenance Benefits.—Present rates to continue except that the children's allowance is to be increased from 4s. per child to 5s.

Widows' Pensions.—This pension that has already been increased by 10s. a week is to be further increased to £1 5s. a week. At the present time, the pension is payable for children until they reach fifteen years of age. It is now proposed to increase this age to sixteen years and the pension may be continued in special cases to eighteen years while the children remain at school. The allowable income in addition to the pension will be £1 10s. Furthermore, an anomaly in the exist-

ing law is to be removed, permitting the payment of a pension of £1 with an allowable income above the pension of £1 whatever her age might be when the youngest child attains the age of sixteen years. Every widow who is otherwise eligible and who did once receive the pension which was discontinued because her children reached the age of fifteen years will be eligible to receive this pension. The position of the childless widow will be met by the institution of a pension of £1 a week, with £1 allowable income; in addition, from the age of 50 years or whatever age they were widowed after they reach the age of 50 years they will receive the pension provided that the marriage had lasted for not less than five years.

Deserted Wives.—Their pensions will increase in conformity with the widow's pension basis.

Mental Cases.—Women whose husbands are patients in mental hospitals will also receive a pension on the widow's pension basis.

Pensions for Orphans.—Children who are orphaned will receive 15s. a week if under the age of sixteen years.

Family Allowances.—The present allowance is 2s. for each child from the third onward with a maximum income of £4 plus the allowance. The Labour Government proposes to increase the amount for the third and subsequent child to 4s. per week; to continue it until the child reaches sixteen years, and to pay in cases where the family income, not including allowance, does not exceed £5 per week.

Miners' Pension.—Sufferers from miner's phthisis will receive an increased pension of £1 10s. Furthermore, an anomaly in the exist-

War Veterans.—It is proposed to increase the war veteran's pension to the following scale, namely, £1 5s. for the veteran, plus 15s. for the wife, plus 5s. for each child, with a maximum of £3 10s. and an allowance income in addition to the pension of £1.

"Perhaps the class in the community who have looked forward with the keenest anticipation to the Labour Government's action in establishing greater social security are the group who are approaching the age at which they are no longer able to earn a full livelihood," said the Prime Minister of New Zealand. "The Labour Government's proposal is to go far beyond what was originally contemplated by those who instituted this pioneer movement and well beyond what we have attained to-day."

The Labour Government proposes, in the meantime, that, at the age of 60, men and women will receive £1 10s. per week each for the remainder of their days and, in addition to this State superannuation, there will be allowed an income of £1 from other sources, either in the case of an individual or a married couple. Thus, a single man will be able to receive up to £2 10s., including his superannuation, and a married couple otherwise eligible may receive up to £4 per week, including superannuation.

How Scheme is to be Financed.

The Prime Minister of New Zealand, Mr. Savage, said: "I notice that some critics anticipate a very heavy increase in direct taxation to finance the Government's proposals, and, possibly, many will imagine that these substantial increases in social progress are going to cost an enormous amount. So they will, but perhaps I ought to remind you that a few years ago we were paying, under a Tory government, £s. in the £1 on wages and incomes, greatly below present standard rates and although the tax was high, the benefits were appallingly inadequate."

Well, now we are going back to the £s. in the £1, subsidized £1 for £1 by the Government, but what will be received in return? They will receive—

Unemployment benefits far in excess of 1933 level.

Sickness benefits for the first time in the history of New Zealand.

Incapacity benefits.

An increase in invalidity pensions.

A very substantial increase in the scope and benefits of widow's pensions.

The institution of orphans' pensions.

Increases for miners, war veterans and the recipients of family allowances.

Increase in the rate of old-age pensions.

The institution of a universal health service for all classes of the community.

As a crown to these achievements, there will be the institution of a State superannuation service that will remove once and for all the fear of want in the eventide of life."

[Leave to continue given.]

That programme is in marked contrast to the scheme which we have now before us.

Mr. THOMPSON.—Would the Labour party, if in power, put into operation in Australia a scheme similar to that which the honorable member has been outlining?

Mr. MAKIN.—The Labour party would put forward proposals that would be substantially in agreement with the New Zealand scheme. We believe that any scheme of social insurance should be absolutely equitable to both sexes, and universal in its application, and should provide safeguards, not only against sickness, but also unemployment and other forms of adversity, and that this should

not be done at the expense of one section of the community only, as this Government is proposing, and that the poorest section. We believe in a fair apportionment of the costs of this social dividend to the nation by providing a portion from the public revenues, and thus those in the more fortunate positions in life would also make their just contribution towards the financing of any scheme of social insurance. To-day, in many of the States, special taxation is already levied in order to do much that is proposed under this bill; this should be used to finance a comprehensive scheme of national insurance. There has been method in the framing of this legislation. It has been so drafted as to remove the cost of social services from the well-to-do section of the people and place it on the shoulders of the working classes, many of whom have to subsist upon the equivalent of the basic wage, without having the right to participate in the benefits of the scheme. In order that honorable members may have a true appreciation of the relative merits of the scheme proposed by this Government and the one sponsored by the Labour Government of New Zealand—

Mr. THOMPSON.—Would a Commonwealth Labour government endorse the New Zealand scheme?

Mr. MAKIN.—I have already answered the question. The Assistant Minister is not always ready to give information to honorable members about matters in which he is interested, but I assure the House that if national insurance legislation produced by a Commonwealth Labour government did not confer upon the people of this country greater benefits than are contained in the scheme now before the House, we would indeed be ashamed of the attempt. If this proposed scheme is a sample of the collective wisdom of ministers it is nothing to be proud of. The more that is known of it the greater will be the condemnation of it by the people because of its inadequate and unsatisfactory service. I submit for the information of honorable members the follow-

ing comparison of the benefits to be given under this bill, with those to be given under the proposal of the New Zealand Labour Government:—

Australian Proposals under a United Australia Party Government.	New Zealand Proposals under a Labour Government.
Unemployment Insurance.—No provision	Unemployment Insurance.—Increased rates on that adopted in 1933
Old-age Pension.—20s. a week for males and 15s. a week for women with the right on a means test for a woman to be enabled to make the total pension 20s.—Pension payable to women at 60 years of age and men 65 years	Old-age Pension.—A pension of 30s. per week to be paid at the age of 60 years to men and women
Disablement Pension.— A disablement pension of males 15s. women 12s. 6d.	Invalidity Pension.—30s. per week plus 10s. a week for wife plus 10s. for each child under 16 years. Maximum pension £4 per week
Invalid pension 20s. a week (Old-age and Invalid Pension Act)	Orphans' Pensions.—15s. a week under the age of 16 years. Dependent children's allowance 5s. per week
Orphans' Pensions.—Orphans' pension 7s. 6d. per week. Dependent children's allowance 3s. 6d. per week	Mental Cases.—Allowance to wife on basis of widows' pension
Mental Cases.—No provision for wife	Deserted Wives.—Pension provided in conformity with benefit to widows
Deserted Wives.—No provision	Widows' Pensions.—An amount of 25s. per week with an allowance for each child under 16 years of age of 5s. per week and also an allowed income of 30s. per week
Widows' Pensions.—An amount of 12s. 6d. per week and later 15s. with an allowance of 3s. 6d. for each child	Sickness Benefit.
<i>Sickness Benefit.</i>	
Medical Benefit.— Provision of doctor and medicine for husband only and exclusive to persons insured under scheme. Voluntary contribution to include wife and family now proposed	Medical Benefit.—Universal general practitioners service free to all members of the community. Free hospital and sanatorium treatment. Free maternity treatment. Free medicine, assistance to specially circumstanced cases for the provision essential for baby's reception
Maternity allowance (under separate Act)	Other Provisions.
(Returned Soldiers Service Pension Act)	War Veterans, Pensions of 25s. plus 15s. for wife plus 5s. for each child. Maximum £3 10s.
(Invalid Pension or Provision)	Miners' Pensions.—Sufferers from miner's phthisis pension of 30s.
<i>HOW TO BE FINANCED.</i>	
A charge of 3s. for each insured male and 2s. for women, half to be paid by employer and half by employee. This amount to be increased by 6d. in 5 years and 6d. in 10 years. A contribution to be made to the scheme by the Government	A wages and income tax of 1s. in the £ and this amount to be subsidized £ for £ by Government
<i>PERSONS COVERED BY SCHEME.</i>	
Only insured persons and dependants of insured persons, who aggregate 52 per cent. of population	Every man, woman and child in New Zealand

An examination of the Government's proposal suggests the desirability of careful consideration. It is essential that the legislation to be passed should have the wholehearted co-operation of every section of the community that is brought within its scope. There is a strong feeling on this side of the House that the Government is anxious to pass the bill before the end of June in order to prevent the newly elected members of the Senate, who will take their seats on the 1st

July, from considering it, notwithstanding that the new senators more truly reflect the opinion of the electorates than do those members whose places they will take. The Leader of my party has submitted the following amendment:—

That all the words after "That" be omitted with a view to inserting in lieu thereof the following words:—

"this House is of opinion that in its present form the bill is unacceptable because:—

(a) it seeks to place upon a contributory basis the payment of pensions for

old-age, invalidity and widowhood, which should be provided as a matter of right without the exaction of individual contributions;

- (b) it provides unequal benefits for men and women;
- (c) it fails to provide medical benefit for the wives and children of contributors;
- (d) by partially overlapping the field of friendly society activity it tends to discourage young men and women from joining these associations of self-help, thus threatening the continued strength of friendly societies without providing in full the services which they now render;

and therefore the bill should be withdrawn and re-drafted and a more liberal bill, freed from the defects now enumerated, should be introduced without delay".

That amendment has my wholehearted endorsement. I hope that the House will carry it.

Mr. HOLT (Fawkner) [9.41].—It is not my intention to speak at length upon the amendment moved by the Leader of the Opposition (Mr. Curtin), because the different points which he raised have been answered effectively by members on this side of the House. But, perhaps, I may be permitted to deal with the situation which is alleged by the honorable member for Hindmarsh (Mr. Makin) to exist in New Zealand. May I ask the honorable gentleman if he would be prepared to accept the New Zealand scheme as adequate for Australia, and would it be supported by the Labour party of the Commonwealth?

Mr. MAKIN.—I said that the Labour movement of this country would certainly sponsor a scheme equally as satisfactory and beneficial to the people as is the proposal made by the New Zealand Government.

Mr. HOLT.—We may take it then that a scheme on the lines of the New Zealand proposal would be introduced by a Labour government if it decided to introduce a national insurance bill. Perhaps I should not go so far as that. Perhaps I should state the position more accurately if I said that in listening to the honorable member for Hindmarsh, one could almost be persuaded that one heard the sonorous phrases of Mr. Lang delivering one of his policy speeches to New South Wales electors, and making specious promises, most of which he never had the good fortune or the ability to

have incorporated in the statute law of that State. I suggest that the nearest which the New Zealand scheme, in its present form, will get to adoption in this Parliament will be the incorporation of an outline of it by the honorable member for Hindmarsh in *Hansard*. The New Zealand proposals have been mooted for the last two years, but have not yet taken tangible shape in the form of a bill presented to the dominion parliament. When the honorable member for Hindmarsh, or any other member of the Opposition, can show that there has been placed on the statute-book of New Zealand a measure which is more generous and more comprehensive than the scheme before the House, he may have some cause to pat himself and his colleagues on the back.

The important distinction between the New Zealand Government's proposal and the scheme now before this House is that this Government has redeemed its promise. This national insurance bill represents the greatest achievement in social legislation in the history of the Commonwealth Parliament. When we claim that it is merely a first instalment we are ridiculed and told that we should be prepared to accept proposals to make it a complete bill. As evidence of the sincerity of our claim I refer honorable members to our past record. It has been stated, and apparently accepted, that for 20 years out of the last 22 years members of the same political colour as that of the present Ministerial parties have had the responsibility of government in the Commonwealth sphere. I remind the House that it was a Liberal government which introduced the first old-age pensions legislation. Of that legislation, as it is claimed of this bill, it was to be regarded as an instalment. That scheme was introduced in 1908, and in 1909-10 there were 65,492 pensioners who were paid 10s. a week, the total cost being £1,432,588. The second instalment came in the following year, when the act made provision for invalid pensioners who also received pensions of 10s. a week. So the pensions system has gradually grown until for the current year the total number of pensioners is estimated at 311,000, who will receive £1 a week, and the total pensions bill will amount to £15,850,000.

This record of fulfilment justifies the people in accepting the Government's assurance that this bill is a first instalment of reform, to be supplemented later.

Whilst not accepting the proposal before the House as anything in the nature of a comprehensive scheme of social insurance, I welcome it as a first instalment, and as one which will add materially to the well-being of the people. It was suggested by honorable members opposite to-day, and in particular by the honorable member for Batman (Mr. Brennan), that under this scheme the Government will "extort" 1s. 6d. a week from the workers without consulting them. Let us examine that statement. For every 1s. 6d. a week which will be "extorted" from them, the workers will receive, by way of benefits, 6s. 6d. a week.

Mr. ROSEVEAR.—Where is that provided in the bill?

Mr. HOLT.—The announcement was made by the Prime Minister (Mr. Lyons) in his speech to the House earlier in the debate. I have not yet heard any honorable member opposite challenge the accuracy of that statement.

Mr. ROSEVEAR.—How does it work out?

Mr. HOLT.—The worker will pay 1s. 6d. a week and the employer 1s. 6d. a week, so the worker is to get the benefit of a total contribution of 3s., although he will pay only one-half of it. That is elementary reasoning; if the honorable member cannot see that, I am merely wasting my time in endeavouring to explain it. In addition, we find that the average age of those coming into the scheme is 32 years. The Government has stated that so far as its contribution is concerned, it will treat every person coming into the scheme as though he were aged sixteen; consequently, in respect of those over that age, it will have to pay the additional premium which would be necessary if the scheme were calculated on an actuarial basis as is done in connexion with private insurance schemes. In other words, the Government will have to pay the difference between the premium required of a man aged 32, and that required of a youth aged sixteen. Adopting the statement of the Prime Minister in his speech on this bill, I suggest to the honorable member that on the

average, the return to contributors will be 6s. 6d. for every 1s. 6d. paid in by them. If that is extortion, I think it would be found that very many persons in the community, other than workers, who will be making contributions, would welcome its application to them. It is said that we have not consulted the workers in regard to this proposal. My reply to that is that at the last election the two major items of policy put forward by the Government were, first, the defence programme, and secondly, national insurance. It cannot be claimed now that anybody who studied the matter at all could have been under any misconception as to whether the scheme was to be contributory or not. The Government stated during the election campaign, that its national insurance scheme would be on a contributory basis. Sir Walter Kinnear, on whose report this scheme is based, was known to members of the Opposition and to the public generally to have advocated a contributory system. The International Labour Office, which has always attempted to deal fairly with the industrial workers of the world, said that the only satisfactory basis of an insurance scheme of this character was a contributory one. How can it be claimed that the workers of this country knew nothing whatever about the sort of scheme which would be proposed, when they themselves endorsed so wholeheartedly the Government's programme at the last general elections? Let us consider for a moment how the pensions aspect of this measure will apply to the community generally. If we examine the statistics on this question, we find that at present only 35 per cent. of people of pensionable age are in receipt of pensions; consequently, with the extension of the pensions system proposed by this bill, the overwhelming majority of the people of pensionable age throughout the Commonwealth will be able to share in the pension benefits which it provides.

I wish now to say something about the health insurance proposals. If there is one tragedy associated with the Constitution of the Commonwealth, it is the unsatisfactory position in relation to health. To use a hackneyed phrase,

health may be fairly described as the Cindarella of the social services. The Commonwealth has not complete power over health. Though the States have the major portion of that power, I suggest they have not accepted their full responsibilities in relation to it. Consequently, we have had far too small a proportion of Government time and money expended in health measures throughout the Commonwealth. Under this bill medical and sickness benefits are to be provided; but while one welcomes that addition to our present social services, it is to be sincerely hoped that this is not to be another case of putting the cart before the horse. Surely, Government measures along lines of prevention must be better than any palliative or compensation after sickness or disability has actually occurred. I sincerely hope that the Government will not simply accept this health insurance proposal as its only contribution to the advancement of optimum health standards. It would be sterility of statesmanship indeed to make provision by way of compensation when sickness or disablement actually occurs, and not to take such measures as are possible, and indeed necessary, to improve general health standards. We have had the resolutions of the Nutrition Council, and the recommendations of the Council of Medical and Health Research, both bodies composed of men of eminence and great knowledge in the medical profession. It is certainly to be hoped that the Government, because it has given us this measure, will not simply relegate to the background its responsibilities for the adoption of preventive health measures. I think we may hope, and with reason, that if this scheme is the success which we, on this side of the House, confidently expect, there will not be the same reluctance in the future, as there is to-day, to hand over to the Commonwealth sovereign powers over health. Our activities in that regard should not be concerned merely with the provision of medical benefits; it is our responsibility to improve health standards by attention to nutrition, and by seeing that our people are not only adequately fed, but are also properly housed and clothed, and have congenial employment. All

these are factors which go to improve the health standards; they are also material factors in the financial success of the national health insurance scheme. If the general standard of health can be improved, any national insurance scheme based actuarially on existing health standards will be placed on a safer financial basis. Investigations in the United States of America have shown that relief workers are sick twice as often and for twice as long as workers engaged in regular employment. This illustration suggests how those other factors of our social life to which I have referred are wrapped up with the general health standards of the community. [Quorum formed.] One aspect of this scheme which has not been dealt with by any honorable member up to the present is that it is based on the assumption that the average age of those entering it is 32 years. Any contributor coming into the scheme at that age, or beyond it, will receive benefits out of proportion to his contributions, in comparison with a young man who comes in at, perhaps, 16 years of age, or even later. I am linking up this point with the suggestion that quite simple improvements of our general health standards could be made. We have provided under the scheme that 50 per cent. of the accumulated surpluses of approved societies shall be brought into a common pool. The suggestion I make is that of the surplus brought into the common pool 50 per cent. should be devoted to preventive measures, and to the improvement of general health standards. The fund should be used to foster a campaign of national fitness throughout the Commonwealth by the provision of gymnasiums, swimming pools, and other forms of physical exercise which would have the effect, unquestionably, of improving general health standards. I hope that, in order to recompense those young people who, under the present scheme will not get the same benefits in proportion to their contributions as older contributors, the Government will seriously consider my proposal. Distribution could be made in a manner which could not fail to benefit the community generally by assisting in the prevention of disease, and improving the physique and

general health of the younger members of the community, and also assist the scheme itself by reducing the degree of ill health which, but for those measures, would come to those people later in life.

I have noted the suggestion of the Government concerning benefits to wives of insured persons. Most honorable members felt that the omission from the present scheme of provision of medical benefits for wives of insured persons was a serious defect. I welcome the suggestion which has been made for assistance to friendly societies which are prepared to give medical benefits to wives and dependants. I hope that that does not represent the full extent of the Government's programme in respect of wives. There are 700,000 married men who, we understand, are to come under the scheme, and it is suggested that the estimated cost will not be in excess of £175,000, assuming that 5s. is paid in respect of each married man. I understand from the Treasurer, however, that this assistance is to be given only to friendly societies and to analogous bodies guaranteeing similar forms of benefit. If the Government adheres to its proposal to permit various big business firms, which have their own schemes, as well as the insurance companies, to participate, obviously many of those 700,000 married men will elect to come under the schemes run by the business firms by which they are employed, or will join an approved society set up by an insurance company. Should that be the case, it is quite conceivable that the wives of many of those men will not come under a proper medical benefit scheme. I know that it will be optional for them to do so; but the fact will remain that very many of them will not be covered. I feel that we should not be satisfied with any scheme of medical benefits which does not eventually cover the whole of the family. In saying that, I do not wish to cast any reflection on the benefits made available by the friendly societies. In common with other honorable members, I acknowledge and appreciate the debt which the community generally owes to the friendly societies, which have pioneered this work and continued it in a voluntary capacity over a long period. It would be cause for profound

regret if this scheme were to interfere in any way with their progress. We have been informed on good authority that that has not been the experience in Great Britain, and we sincerely hope and confidently believe that it will not be the experience in Australia. Friendly society dispensaries do not seem to be included in or adequately covered by the bill, yet they, too, have rendered excellent service to the community in a voluntary capacity. They have supplied medicines at a very moderate cost to many people who otherwise would have been unable to procure them. It is hoped that the Government will be able to evolve a scheme that will make satisfactory provision for these eminently worthy bodies.

Honorable members from Victoria, unlike those from New South Wales, have not had the experience of opposition to the scheme by members of the medical profession. [Quorum formed.] It is interesting, in view of the protestations that have just been voiced by the honorable member for Hindmarsh (Mr. Makin), to notice the lack of interest of honorable members of the Opposition in the Government's proposal. Apparently they are quite prepared to adopt the policy speech of the Prime Minister of New Zealand (Mr. Savage). At the present time there is only one matter which is causing members of the medical profession in Victoria real concern; that is, the effect of clause 115. The request that they have made is, I think, an eminently reasonable one. They find themselves faced with the problem which confronts honorable members, namely, that it is impossible to estimate the effects or the consequences of this scheme until we have had some experience of its operation. As a starting point, they are quite prepared to accept the agreement reached with the Government; but they point to the fact that under clause 115 no elasticity is permitted to meet any fluctuation of circumstances. The amount which can be allotted on account of medical benefit is restricted to 16s. in respect of males and 17s. 6d. in respect of females. A capitation fee of 11s. has already been agreed upon. We can assume, I think, that the amount of 4s. which is to be provided for a complete range of medicines and drugs

of first quality, and certain medical appliances, will prove a very conservative estimate. I understand that friendly society dispensaries have offered to make that service available at a cost of 3s. 9d. a head. One can fairly assume that chemists would not be prepared to accept a lower figure than that; consequently the expenditure already contemplated in respect of capitation charge and medicines and appliances is 15s. Then the mileage fee to be paid to the doctor has to be taken into account, and there will also be a certain amount for the cost of the administration of medical benefits. It is quite obvious that there is no elasticity in that particular provision. Should it be found that the amount to be provided is too small, Parliament itself would have to amend the act to give effect to any recommendation of the commission for an increased payment. I suggest that, if the medical profession is prepared to accept the agreement reached with the Government, provided its members can be assured of some elasticity in the event of the amount of the medical benefit being found inadequate, the Government should seriously consider the amendment of that particular provision along those lines. If the existing unfortunate controversy with the medical profession could be settled in that way, any time spent by the Government in the consideration of the matter would be well repaid.

The only other matter to which I wish to refer is that of finance in connexion with the scheme. I should appreciate, and I am sure other honorable members would also, a statement by the Treasurer (Mr. Casey) as to what, in his opinion, will be the effect on our national economy of the withdrawal from circulation of the amount necessary to operate the scheme. In the first twelve months of its operation, the wage-earners will contribute a total amount of £5,600,000. The employers will contribute a similar amount, and the contribution of the Government will be £2,000,000, a grand total of £13,200,000. That is a very large sum to withdraw from circulation and place in a fund for this particular purpose. I ask the Treasurer to bear in mind that most of that amount would normally be spent upon consumers' goods. It would

be interesting to know whether the Treasurer considers that the taking of this money out of the pockets of employers and employees is likely to have any deflationary effect on the national economy. Under clause 105 a board of trustees is to be set up to control the national insurance fund, but clause 132 considerably restricts its range of investment. The trustees are limited to investments made—

(a) by the purchase of securities which have, prior to the making of the investment, been issued by the Government of the Commonwealth or of the United Kingdom or by any public authority constituted by any act or State act and authorized by that act to issue such security; or

(b) by deposit in the Commonwealth Bank of Australia.

For a number of years the fund will be of considerable proportions, but the restrictions placed on the trustees in respect of investments may lead to a dislocation of the national economy. In his report, Sir Walter Kinnear touched on this matter when he said—

In view of the contractual character of the benefits the fund should be strictly hypothecated by act of Parliament for the purpose of pensions payments, and the money might be suitably invested in housing, public utility and general local authority schemes.

Apparently, the Government has not accepted that recommendation in its entirety, because housing has been specifically omitted as a form of investment. I shall be interested to hear the reasons for his omission when the Treasurer replies. I suggest that consideration be given to the possible effect upon Commonwealth finance of making available for investment in Government securities these large sums of money, which otherwise would be expended in the purchase of consumers' goods or in obtaining service for consumers.

This scheme of social service, added to existing social services, will constitute an enormous field of government action. I consider that it is undesirable that it should remain as at present simply a part of the normal Treasury Department. In passing, I pay my tribute to the Treasurer for the work that he has put into the scheme, and the conscientious manner in which he has

investigated every aspect of it. The passing of this measure will be a fitting tribute to the honorable gentleman; nevertheless, the work is getting beyond the control of any one person. I suggest the creation of a ministry of social services, which would administer this scheme, invalid and old-age pensions, and repatriation, and also any expansion of existing schemes along lines already indicated by the Government. Until we have one man whose sole responsibility will be the control of our social services, we shall not get the best results.

I conclude by congratulating the Government upon the introduction of this bill. I agree with the honorable member for Henty (Sir Henry Gullett) that it required considerable political courage to bring it before Parliament. During recent weeks we have had some experience of sectional opposition to certain aspects of the measure. Until the scheme is properly under way, and its benefits appreciated, there will be further hostility. We should be prepared to give to the Government credit for its courage. The consequences of this legislation are beyond our present comprehension, but if it be well administered, and, particularly, if its effects be what we hope they will be, there need be little doubt that the people of Australia will be more prepared in the future than in the past to entrust to this legislature full sovereign powers in regard not only to health and pension matters, but also in respect of industrial and marketing powers, all of which are so essential to the effective discharge by a national parliament of its national obligations. For these reasons I commend the bill, and trust that it will have a speedy passage.

Debate on motion (by Mr. RIORDAN) adjourned.

ADJOURNMENT.

NORTHERN TERRITORY ORDINANCES—
CANBERRA HOSPITAL—CANBERRA MILK
SUPPLY—PATROL BOAT “LARRAKIA”:
INCIDENT WITH JAPANESE LUGGER—
TEMPORARY LINESMEN: RETURNED
SOLDIERS—REPAIRS TO SS. “PORT ST.
JOHN.”

Motion (by Mr. CASEY) proposed—
That the House do now adjourn.

Mr. BLAIN (Northern Territory) [10.17].—A serious matter, affecting the privileges of Parliament, has arisen regarding the government of the Northern Territory and the control of one-sixth of the total area of Australia. It is doubly serious in view of the recognized value of the Territory and its northern coastline in regard to defence. During the last Parliament, it was decided that the member for the Northern Territory should have a vote on the disallowance or acceptance of Northern Territory ordinances, but the fact that Parliament meets on only a comparatively few days each year makes this vote almost valueless.

It is vitally important, particularly in view of the proposed heavy expenditure on defence, and of the grave issues raised by the Payne Report, that all legislation effecting the Territory should be carefully considered by Parliament, and submitted to the early criticism of the member for the Northern Territory. Furthermore, it would be wise, since the Minister for the Interior is to visit the Northern Territory soon, that all legislation regarding that area should be suspended pending his visit of inspection and the formulation of a policy on general lines. Actually, what is happening is that the bureau which governs the Territory is promulgating ordinances as fast as they can be produced. One ordinance—No. 2 of 1938—the details of which have been hidden even from the press, calmly abolishes the Northern Territory Land Board, one of the most efficient bodies in the territory. It controls one-sixth of the whole area of Australia and the personal rights of a large number of Australians. If similar action were taken in respect of any other part of Australia, without free public and parliamentary discussion, it would probably occasion a nation-wide public outcry. Senior officers would be asked for an explanation. But since only the Northern Territory is involved, it does not matter, notwithstanding that that territory is the gateway of Australia.

The recommendations of the Payne Committee may be divided into two sections—those parts which are palatable to the department and the Minister, and those which are not. The first are being

quietly introduced by means of ordinances concocted by a few civil servants at Canberra, and are not submitted to me or anybody else with independent knowledge before they become law. The others are the unpalatable sections, and it would appear that they will be shelved. I suggest to the Minister that this is a serious matter. I demand that in future the issue of ordinances governing Northern Territory affairs shall be limited to a period immediately preceding the meeting of Parliament; that these ordinances shall be printed, circulated among members, and issued to the press in sufficient time to allow them to be perused and criticized before Parliament meets; and that when Parliament meets, a special time shall be set aside for their discussion. It is of not the slightest use for the Government to wriggle and say that this is not possible. The legislation for the whole of Australia, as it appears before this House, is concentrated so that it can be dealt with in brief sessions each year, and the same should be possible with regard to the Northern Territory, for which legislation is framed by a secret departmental junta throughout the year, whenever the department pleases.

The Minister proposes to leave for the Northern Territory at the end of June, and has been gracious enough to ask me to accompany him. The last ministerial visit, as well as many earlier ones, was unfruitful of results and unless methods are changed this visit will merely be a wicked waste of public money, as others have been. I desire some assurances on that point. I have shown great tolerance of departmental methods, which are based on the presumption that the representation of the Northern Territory is a farce and a blind—a mere curtain of pretence behind which the Government can hold a shadow show which will trick the people of the Commonwealth.

Unless I receive a promise from the Minister of a detailed plan which will ensure that ordinances are submitted to me for criticism before they are gazetted; unless the department ceases to make ordinances based on the parts of the Payne report which suit it, while giving out to the press and the public that the

report is in abeyance pending the Minister's visit to the territory to obtain knowledge which will enable him to weigh the report in its details; unless, in brief, the Government ceases to treat the whole subject of territory government with levity, I shall seriously consider whether my conscience will allow me to accept a tour of the territory at public expense. The time has come, I think, when I should take the gloves off.

Mr. MAKIN.—Hear, hear!

Mr. BLAIN.—The honorable member for Hindmarsh (Mr. Makin) objected last year, in no uncertain terms, to the manner in which Parliament is kept uninformed as to ordinances passed in respect of outlying territories. I may have to consider whether it would not be better for me to spend my time informing the people of the Commonwealth of the true atmosphere of the Department of the Interior and of its subterfuges, rather than waste my time—and that of thousands of my constituents who like to welcome a Minister in good faith—in acting as cicerone to a ministerial party which I am not yet satisfied is going to the north with a genuine desire to settle territory problems. We are too busy and too poor in the north to waste time on humbug, and to conduct pleasure tours of official parties which look us over and return to so-called civilization with their tongues in their cheeks, to do only those things which make their own jobs easier and improve their own status at the expense of every territorians. I put the whole matter up to the Minister. I believe that he personally is sincere, but at the present stage of his experience he is still immature enough in Northern Territory politics to be imposed upon.

Mr. BAKER (Griffith) [10.24].—I rise in regard to a matter affecting the Acting Minister for Health (Mr. Archie Cameron). I desire to know why a question asked by me upon the adjournment three weeks ago was not answered? On that occasion I mentioned that some time previously the Acting Minister for Health had tabled in this House a report by Mr. Lewis on the Canberra hospital. Details of the report were published in the press, and the document was brought under the notice of the Public Works Committee. It was then disclosed to the

committee that a report had been furnished by the Canberra Hospital Board in reply to the Lewis report. I suggested that the reply made by the Hospital Board should have been made public at the same time as the original report. Since then, however, a further development has occurred. A few days ago, one of the only two elective members of the Hospital Board, Mr. McFadyen, desired to give evidence before the committee with regard to this matter, and, despite the fact that at least one member of the committee suggested that he should be heard, the chairman refused to hear him. I do not suggest that the chairman exceeded his rights in deciding that Mr. McFadyen should not be permitted to give evidence, but irrelevant evidence had been given previously by medical men. If certain persons were entitled to give evidence extraneous to the matter under the committee's consideration, an elective member of the board desiring to place his views before the committee in reply to such statements should have been allowed to do so. It so happened that this particular representative was previously prevented from stating his case when the royal commission was investigating the position with regard to the Canberra hospital. On that occasion he presented six statements by medical men dealing with what was suggested to be an unsatisfactory position in connexion with medical affairs in Canberra. The chairman of the commission decided to go into secret conclave with the other medical men on the commission, and the two lay members were prevented from being present. When the commission's report was submitted, no reference was made to the contents of the six statements which were severely condemnatory of medical activities in this territory. I am informed that, after the commission had concluded its investigation, a request was made to the chairman that this document should be returned, but he replied that it had been mislaid. It is indeed strange that that particular document should have disappeared.

What I now have to say will be similar to the statement that the Hospital Board desired to place before the Public Works Committee. As full publicity has been given to the views

of the critics of the board, I hope that the reply of the board will receive similar publicity. I understand that it has been suggested that the Chairman of the Public Works Committee may have been acting in accordance with a suggestion received from another authority, when he refused to allow Mr. McFadyen to give evidence.

Mr. FRANCIS.—I give that suggestion an emphatic denial.

Mr. BAKER.—I merely say that the suggestion has been made that the chairman might have been influenced in that way. This representative wanted to make his statement under privilege, in order to be enabled to reply to other statements which had been made under privilege. The fact that residents of the Federal Capital Territory contribute about £8,000 a year towards the maintenance of the Canberra Community Hospital surely entitles him to that treatment. He suggests that the Canberra Hospital Board has transformed the hospital from a badly-run institution, lacking public confidence under departmental control, into an efficient and well-equipped unit. In performing this work the board has been beset with difficulties, the chief of which has been the open hostility of a coterie of local medical officers who have never appreciated the efficient control by the board. In the course of its administration the board has found evidence of inefficient treatment by certain Canberra medical practitioners from which members of the public have been sufferers. This evidence has been available to the board from various medical officers who, from time to time, have served at the hospital. A signed statement by one medical superintendent, covering about six such cases, was presented in good faith by a member of the board to the chairman of the royal commission which sat at Canberra in June, 1937. The commission was composed of two doctors, two laymen, and a doctor as medical recorder. The chairman of the commission, a medical man, after consulting his medical confreres only, refused to permit discussion on the statement, and made no reference to the matter in the findings of the commission. The lay members, one of whom was a legal man, were not permitted to examine the statement. Since

the statement was handed to the chairman of the royal commission it has disappeared, and the Canberra Hospital Board has been unable to recover it. There is every reason for believing that, in some cases, patients in the Canberra Hospital are still not receiving the consideration they are entitled to from certain medical officers. The Hospital Board, in an endeavour to protect its patients, has made provision under certain conditions for consultative opinions to be obtained at the board's expense. This method of co-operation in the sole interests of patients is not acceptable to certain medical officers, despite the fact that the royal commission recommended that patients in the Canberra Hospital be protected on somewhat similar lines to the system now operating. In this kind of legislation the board is entirely in the hands of its medical superintendent. The principle involved in this matter is too important to be overlooked by the House. It has been admitted by medical officers that the happenings at Canberra are common to the whole of Australia. For humanity's sake a medical officer should not be permitted to undertake work which is beyond his ability, yet we find the medical profession so situated to-day that a man with a university degree, and with little or no practical experience, is in a position to set up in practice and undertake, without supervision of any kind, any method of treatment which his ego or financial state may urge. That this is possible is a sad reflection on our governing bodies.

It was on these lines that the elected member of the Hospital Board desired to give evidence before the Public Works Committee. Both the Director-General of Health and the Acting Minister for Health are aware of the conditions prevailing at the Canberra Hospital. It would be interesting to learn whether they are supporting the board in its valiant attempt to protect the interests of the Canberra sick. There is a feeling among certain well-informed people that an attempt is being made to disintegrate the present board with a view to giving medical practitioners the same free play in the hospital that existed under free and easy departmental control. Canberra is without a system of local government; in

fact, the only responsible citizen governing authority is the Hospital Board, and this Parliament should see to it that the reactionary interests represented by the board's opponents are not encouraged in their attempts to sabotage the excellent social service rendered by the Canberra Community Hospital Board. It is only fair that a statement of that kind should be given publicity in this House.

Another matter which I desire to raise is the rumour that considerable alterations are to be made with regard to the administration of hospital services in Canberra. It is suggested that an elective board is about to be established. I am in favour of an elective board, because it represents a democratic principle, but I trust that the new board will be endowed with powers at least equal to those possessed by the present board. I also trust that the Assistant Minister for Health (Mr. Archie Cameron) will see that the democratic principle of one person one vote will operate in respect of this proposed election, and that he will not give rein to any notions he may have that women are not entitled to vote or are not entitled to stand for election to the board. I trust that despite whatever beliefs foreign to Australian sentiment he may have upon this particular subject, he will not allow them to influence him in this matter.

Another subject which I desire to touch upon has been raised on several occasions in this House, following a libel case in Canberra. That was a private case and the Government was not directly interested in it. Nevertheless, in the course of those proceedings, certain statements regarding the milk supply in this community and affecting the welfare of residents of the Territory were made. They revealed a position which does not say very much for the vaunted superiority of males over females in the control of important public activities. Although a male is at the head of the Department of the Interior, no action has been taken to date in pursuance of the evidence given in the case to which I have referred. We are at least entitled to expect efficiency from the Health Department, and members of the Opposition are entitled to some consideration in this regard. As the Assistant Minister has not extended to

me the small courtesy of listening to any part of my speech, I trust that he will read my remarks in *Hansard* and will give a reply to the points I have raised by to-morrow evening.

Mr. McEWEN (Indi—Minister for the Interior) [10.38].—The honorable member for the Northern Territory (Mr. Blain) referred with rather more than his usual warmth to certain matters concerning the administration of the Northern Territory, including the recent report of the Payne-Fletcher Committee, and the visit which I propose to make to the Territory at an early date. His first complaint is that before proceeding to the Territory I have acted upon one of the most important recommendations of the Payne-Fletcher Committee. I believe that every honorable member will share my astonishment that the decision of the Government in this respect has been criticized adversely by the honorable member. One of the important recommendations of that committee was that the Land Board should be abolished and that the authority hitherto vested in it should be vested for the future in the Administrator.

Mr. BLAIN.—The Minister knows that he has been given no authority and never will be.

Mr. McEWEN.—The advisability of acting upon that recommendation has hitherto been unchallenged by any one, and the action has been taken. I am glad to say that I have found it possible to act on certain other recommendations of the Fletcher-Payne Committee before visiting the territory. Every recommendation that it has been found feasible to put into operation has been put into operation. Quite recently, for instance, I was able, acting on the advice of the committee, to arrange with the Commonwealth Railways Commissioner to reduce most substantially the freights on cattle from Alice Springs to Adelaide. If it were necessary, I could give quite a number of instances where effect has been given to the recommendations contained in the committee's report. Of course, there are major recommendations in that report which, if put into operation, would involve the expenditure of many millions of pounds of Commonwealth money. It

is not felt by the Government that it would be desirable to put into operation recommendations entailing such considerable expenditure and such innovations of policy without a visit to the territory by the Minister for the Interior, accompanied by certain advisers. It has been arranged, therefore, that immediately after the conclusion of this sessional period of Parliament, I shall go to the Northern Territory, accompanied by the permanent head of the Department of the Interior, the Commissioner of Commonwealth Railways, and certain other persons best competent to give me advice in connexion with projected variations of policy. Following the example set by former Ministers who have made official visits to the territory, I have extended an invitation to the honorable member for the Northern Territory to accompany me. He has indicated to-night that he may choose not to accept the invitation and to remain, while I am in the Northern Territory, in the south, talking to the press, I understand, and informing the public of Australia as to his views of the policy of the Government and myself on territory affairs. If the honorable member feels that that is the best way for him to serve his constituents, we shall leave him to be the judge. But my invitation is open to him, and I believe that his better judgment will prevail and that he will come with me and offer the sound advice of which he is capable in his cooler moments.

The honorable member has suggested that ordinances affecting the Northern Territory should not be promulgated other than immediately before the commencement of sessional periods of Parliament. Compliance with his request would be a retrograde step involving undue delay on occasions in promulgating ordinances for the better government of the territory or for the introduction of what may be regarded as new and better policy. I do not propose to recommend to the Government that his suggestions should be acceded to. The honorable member has pointed out with more warmth than accuracy that neither he nor Parliament has an opportunity to challenge these ordinances when they are made. We all know that that statement is not in accordance with the facts. There is a

statutory provision that the honorable member for the Northern Territory or any other honorable member of either House of Parliament may within fifteen sitting days after an ordinance has been laid before the Parliament give notice of motion for its disallowance, and opportunity is provided at least once a month, on private members' day, for such matters to be debated. It is not necessary for me to remind the House that there was one occasion when the honorable member moved for the disallowance of an ordinance and did not exercise the right conferred upon him to vote upon his own motion. I am disposed to think that the honorable member has spoken with more heat than consideration to-night. I have no doubt that he will accompany me when I leave for the Northern Territory, at the end of next month.

A question was asked this afternoon regarding the reported boarding of a Japanese lugger by the master of the patrol boat *Larrakia*. I have received the log of the *Larrakia* covering the period when this incident occurred. The position is that in the course of normal patrol duties, the *Larrakia*, when proceeding within territorial waters, sighted the Japanese lugger *Toba Maru*, which was within territorial waters. The master of the *Larrakia* hoisted the ensign and the code flags signifying, "Stop, or I fire". At this time, according to the log, the centre engine shaft of the *Larrakia* showed a fracture, and it was necessary to stop this engine and proceed only under the power of the other two engines. As the lugger did not stop, the master of the *Larrakia* fired a burst across the lugger's bows. Upon this being done, the lugger stopped and was boarded.

The log records that the lugger had no pearl shell aboard, and as there was no indication that contact had been made with the shore, the captain of the *Larrakia* warned the master of the lugger to keep outside the three-mile limit, and permitted the vessel to proceed. This concluded what I am advised is a normal action and interrogation which may, in the circumstances,

be regarded as routine in the duty of the patrol vessel *Larrakia*.

References were also made to-day to reports in the press of an alleged claim for compensation against the Commonwealth by Japanese interests in connexion with this incident. No claim for compensation has been made either at Darwin or at Canberra.

Mr. SCULLY (Gwydir) [10.48].—I direct the attention of the Minister respecting the Postmaster-General to unfair treatment meted out to returned soldiers employed as temporary linesmen in the Postmaster-General's Department. The Postmaster-General some time ago said that definite consideration would be given to the claims of casual employees in the department, who are returned soldiers, to be made permanent. I then made application on behalf of one of my constituents through the Postmaster-General for him to be made a permanent officer. The application was referred to the Public Service Board. The reply that I received and passed on to the man was that, as he had not had two years' continuous service in the department, he was not eligible for permanent employment. This man is competent to a high degree. He is a returned soldier with a good record and has a large family to maintain. In all, he has had twelve years of casual service with the department and has given every satisfaction. The treatment he has received indicates that it is the definite policy of the Postmaster-General's Department, in order to disqualify men from permanency, to dismiss them shortly before the expiry of their two-year period of employment and then re-engage them. I received to-day from a friend of this man a telegram which states that after 21 months with the department he is to be put off, and thereby debarred from applying for permanent appointment. This policy unfairly prevents men from becoming permanently employed. The man had given twelve years of satisfactory service to the department. On every occasion when he was nearing the time when he would become eligible for permanent employment, the temporary appointment was discontinued. Such procedure is unfair. After 21 months of continuous service, and twelve years of casual service in the

Department, he was put off at a time when work was available on which he could be engaged for three months so as to become eligible for a permanency. I direct the attention of the Government to this unfair procedure in the Postmaster-General's Department.

Mr. BEASLEY (West Sydney) [10.52].—Probably it is known to most honorable members that during the last few months there have been a number of shipping mishaps on the Queensland coast. Ships have run aground and been damaged. One of them was the *Port St. John*, which, having been towed off a reef, was brought to Sydney for repairs. The ship was put into dry dock at Mort's during this week, and a survey disclosed that it was in a very bad condition. The workers about to be engaged on the repairs necessary to make the ship seaworthy ascertained, soon after the job had started, that the repairs were to be of a very temporary nature. They discussed the matter, and were disinclined to proceed with the work under such conditions. The crew, who are on English articles, are very apprehensive about taking the ship to sea with only temporary repairs effected, and their influence on the tradesmen employed at Mort's Dock was strong enough, at one stage, to cause the workers to consider whether they would undertake to do such temporary work. However, the officials of the organization discussed the matter at a conference, and the work proceeded, but it was decided to refer the matter to me with the object of bringing it under the notice of the Government. We wish the Government to state what powers it possesses regarding the certificate of seaworthiness that the vessel must obtain before it puts to sea again. I am advised that the engine-room is out of alignment, and that the plates are buckled in a number of places. In short, the ship is badly damaged. From what can be gathered, the owners appear to be inclined to carry out only such temporary repairs as putting patches here and there and rivets in several places. Generally, they are having done what may be regarded as only the bare minimum requisite to get a certificate of seaworthiness. They apparently, are satisfied to take the extra risk that will be

involved before the vessel reaches its destination.

Mr. MAKIN.—The repairs must be passed by Lloyd's surveyor.

Mr. BEASLEY.—That is so; but I am unaware at the moment of the powers of the Commonwealth Government in that regard. If it was an interstate or intra-state vessel, the State would probably have some say, but it is a deep-sea vessel with an English crew, and I understand the crew are sailing under English articles. I received a message about the matter by telephone a few minutes ago, and the greater detail that I should like to possess, I have not been able to obtain. As we are adjourning a little earlier to-night, I seized this opportunity to deal with the subject, rather than to try to embrace such an important matter in a question to-morrow. I ask the Minister to be good enough to inquire as to the powers the Government possesses, and to inform the House whether the Government can exercise any control over the authority that has the right to issue the certificate of seaworthiness. If it has any power, will it exercise it to the extent of causing the owners of the vessel to carry out repairs that are satisfactory, so as to make sure that the lives of the men who are to take the vessel to its destination are not jeopardized? I have authority to speak to-night for the shipwrights, boiler-makers, iron-workers, and engineers, who are associated on the job. They are proceeding with the work now, but whether they will complete it I am unable to say. They say that the Government should exercise the authority, which they hope it possesses, to see that no certificate is issued, unless the job is properly completed. It is quite natural and necessary that I should emphasize that the men are anxious that the work should be done in this country. There are many men following this class of work on the waterfront, and there is not much of it available at the present time. Conditions of employment are fairly bad generally, and the more work that can be done in this country, the better pleased these men will be. I believe it is my right to press that aspect of the matter as well. Whilst perhaps the Government may be unable to force

the owners to the extent that we might like—that is to say, to the extent of having the whole of the work done in Australia—it should at least go so far as to insure the ship being properly repaired and made absolutely seaworthy before it leaves Sydney to go overseas.

Mr. ARCHIE CAMERON (Barker—Assistant Minister for Commerce) [10.56].—I assure the honorable member for West Sydney (Mr. Beasley) that the Government will take all steps necessary to see that the vessel is in a seaworthy condition before it is permitted to put to sea. The safety of crews will always be a concern of this Government. Such inquiries as are necessary will be made forthwith to ascertain the true position.

With regard to the question of the honorable member for Griffith (Mr. Baker), he referred to the same subject on the motion of the adjournment of the House some time ago. Having raised it, however, he immediately left the chamber, and I thought he had no further interest in it. Therefore, I took no trouble to reply. To-night he has raised the question at greater length, and I shall reply briefly. First, I have not at any time suggested, either personally or through a third party, that hospital affairs should be discussed by the Public Works Committee. For what has been done by the committee, the committee alone is responsible.

Regarding the Hospital Board's reply to the Lewis Report, my opinion is that the report, which was made by a member of the Hospital Commission, was an official report to the Government. Consequently we felt that the House was entitled to see it. Any comments the board cared to make were comments to the Minister for Health. As far as I am personally concerned, the honorable member, if he so wishes, is at liberty to see them. I do not think that there is anything in connexion with the affairs of the Canberra Hospital of sufficient importance to occupy the attention of this Parliament. If the Canberra people are given a chance to run the hospital as an ordinary democratic institution, I believe that they will do it very well. The honorable member for Griffith will find in the *Commonwealth Gazette*, to be issued this week, a new ordinance containing all the power

necessary to make this possible. I do not intend to bring the affairs of the hospital before the House to any greater extent at this stage. The present Hospital Board has had a very difficult period of office, and it has done its work well. What the Canberra Hospital needs more than anything else is a little peace and quietness, and freedom from unwelcome publicity, so that it may settle down to do the things that really need doing. When it is given this opportunity I believe that the result will be such that neither the Commonwealth Parliament nor the people of the Federal Capital Territory will have need to be ashamed.

Mr. CASEY (Corio—Treasurer) [11.3].—*in reply*—The honorable member for Gwydir (Mr. Scully) alleged that certain returned soldiers employed as temporary linesmen in the Postmaster-General's Department were being treated unfairly.

Mr. MAKIN.—What he said was quite true. I know of similar cases.

Mr. CASEY.—I am not personally acquainted with the details of the subject, but I shall bring the matter under the notice of the Postmaster-General, and see that the honorable member is informed of the result.

Question resolved in the affirmative.

House adjourned at 11.4 p.m.

ANSWERS TO QUESTIONS.

The following answers to questions were circulated:—

PARLIAMENTARY DEBATES.

Mr. CASEY.—On Wednesday, the 18th May, the honorable member for Batman (Mr. Brennan) asked the following question:—

I desire to ask the Treasurer whether he has noted what I think is an undoubted fact, that the Commonwealth parliamentary debates are printed on paper which is pale and anaemic and altogether unsatisfactory, and that the print is difficult to read at night? Will he inquire as to whether this is due to difficulty in securing better paper, or is it the fault of the printing machinery?

I have made inquiries into this matter, and I find that it is not possible at present without considerable loss to vary the class of paper used for the weekly issues of the *Parliamentary Debates*, but

that steps have been taken to ensure that, as far as possible, there will be an improvement of the printing in future issues.

CANBERRA: HOUSING.

Mr. McEWEN.—On the 27th May, the honorable member for Bass (Mr. Barnard) asked the following questions, *upon notice*:—

1. How many persons are on the waiting list for houses in Canberra?

2. How many houses containing four, five or six rooms have been built during the past two years by (a) the Government, and (b) private enterprise?

3. Can he give any indication when the Government will have made up the shortage of residences in Canberra?

The information desired by the honorable member is as follows:—

1. Three hundred and ten.

2. (a) Four rooms, 24; five rooms, 45; six rooms, 40—total, 110. (b) Four rooms, 2; five rooms, 14; six rooms, 13—total 29.

3. The Government has been giving this problem special attention with the object of increasing the housing programme as much as possible. It is not practicable at this stage to state when the shortage will be overtaken, but a considerable improvement should be made in the forthcoming financial year.

INVALID PENSIONS.

Mr. CASEY.—On Thursday, the 26th May, the honorable member for Maribyrnong (Mr. Drakeford) asked the Treasurer the following questions, *upon notice*:—

1. What was the number of applicants for invalid pensions in each of the States of Australia for each year of the ten-year period from 1927-28 to 1936-37?

2. What number and what percentage were granted in that period in (a) each State during each year; (b) each State for the ten-year period; (c) the Commonwealth during each year; and (d) the Commonwealth for the ten-year period?

The answers to the honorable member's questions are as follows:—

1.—

Year ended 30th June.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.
1928	4,366	2,844	1,862	663	660	401
1929	4,052	3,041	1,994	802	708	429
1930	5,220	3,410	1,968	956	811	459
1931	3,883	3,662	2,116	945	873	467
1932	6,025	2,993	2,085	883	835	439
1933	5,066	2,277	1,440	833	677	420
1934	6,322	2,930	1,887	1,182	910	463
1935	7,138	3,486	1,933	1,452	865	487
1936	7,317	3,436	1,834	1,561	1,048	547
1937	7,379	3,063	2,022	1,528	1,206	605
Totals	59,868	31,742	18,981	10,810	8,597	4,717

2. (a)—

Year ended 30th June.	New South Wales.		Victoria.		Queensland.		South Australia.		Western Australia.		Tasmania.	
	Grants.	%	Grants.	%	Grants.	%	Grants.	%	Grants.	%	Grants.	%
1928 .. 3,239	74.19	2,241	78.80	1,222	73.53	512	77.23	452	67.87	310	77.31	
1929 .. 3,422	73.56	2,389	78.56	1,309	70.16	633	78.93	446	63.00	310	72.26	
1930 .. 3,815	73.08	2,519	73.87	1,343	68.24	601	69.14	544	67.08	310	67.54	
1931 .. 4,358	68.28	2,762	75.42	1,305	61.67	704	74.50	530	61.74	338	72.38	
1932 .. 4,339	72.02	2,355	78.68	1,351	64.80	603	78.04	564	67.54	325	74.03	
1933 .. 3,404	67.19	1,513	66.45	927	64.33	613	73.59	424	62.83	298	70.95	
1934 .. 4,975	78.89	2,157	73.62	1,159	61.42	896	75.80	641	70.44	379	81.86	
1935 .. 4,999	70.03	2,192	62.88	1,450	75.01	1,019	70.18	704	81.39	369	75.77	
1936 .. 5,379	73.51	2,425	70.58	1,292	69.69	1,009	64.64	683	65.30	390	72.94	
1937 .. 4,928	66.78	2,408	65.74	1,290	63.80	961	62.80	667	55.31	390	64.46	

(b)—

—	Ten years ended 30th June.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania. -
Grants ..	1937	42,858	22,961	12,738	7,701	5,664	3,428
Percentage ..	1937	71.59	72.34	67.18	71.24	65.88	72.67

(c)—

Year ended 30th June.	Commonwealth.	
	Grants.	Percentage.
1928 ..	7,976	75.23
1929 ..	8,590	73.06
1930 ..	9,192	71.68
1931 ..	10,000	69.26
1932 ..	9,627	72.57
1933 ..	7,179	67.01
1934 ..	10,207	74.54
1935 ..	10,733	69.87
1936 ..	11,187	70.98
1937 ..	10,644	64.89

(d)—

Ten years ended 30th June.	Commonwealth.	
	Grants.	Percentage.
1937 ..	95,350	70.70