

**Legislative Assembly,***Thursday, 23rd September, 1926.*

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

### QUESTION—LEMNOS MENTAL HOSPITAL.

Mr. SLEEMAN asked the Honorary Minister (Hon. J. Cunningham): 1, Have any patients escaped from Lemnos Mental Hospital, West Subiaco, since returned soldier patients were first transferred there from other hospitals? 2, If so, how many? 3, Are the Government satisfied with the result of placing male mental patients under the care of female nurses, instead of male attendants?

Hon. J. CUNNINGHAM replied: 1, Yes. These escapes happened before the patients had properly settled down, and should not be judged as a criterion for the future. The intention at "Lemnos" is to give the patients as much liberty as possible. 2, Four. 3, Yes.

### BILL—STAMP ACT AMENDMENT.

Introduced by the Premier and read a first time.

### BILL—JUSTICES ACT AMENDMENT.

Read a third time and transmitted to the Council.

### BILL—TRAFFIC ACT AMENDMENT.

Report of Committee adopted.

### BILL—STATE INSURANCE.

*Second Reading.*

Debate resumed from 7th September.

MR. E. B. JOHNSTON (Williams-Narogin) [4.36]: On behalf of the Country Party I desire to say a few words in opposition to this measure. At the outset I

may point out that from the humanitarian point of view, the point of view of the protection of the men so unfortunately suffering from miners' phthisis, we should certainly have supported the Government had the relief been brought forward in another form. I have seen the effects of miners' phthisis and have noticed its ravages amongst some of the finest specimens of Australian manhood. It is a great pity that during the time the mines were producing untold millions of wealth legislative provision was not made that those mines should establish and contribute towards a fund for the relief of sufferers in the industry. At the same time I regret that the Government have adopted this method of establishing a State insurance office. As I have said, the men should have been protected long ago, and I regret that when the leases on the Golden Mile were renewed a few years ago advantage was not taken of that opportune time to provide for relief.

The Premier: Does not the hon. member remember that the Scaddan Government tried to pass a Bill similar to this in 1912, and that it was thrown out in another place?

Mr. E. B. JOHNSTON: I had not for the moment recalled that. At any rate, the point to-day is whether this method should have been adopted, contrary to the State Trading Concerns Act, which forbids the Government establishing new State trading concerns without the approval of Parliament.

The Premier: Everybody admits to-day that it is only right to make provision for those men whose health has been ruined in the mining industry. It is a question whether, after all, the previous Labour Government were 14 years ahead of their time in bringing down that Bill.

Mr. E. B. JOHNSTON: Apart from according relief to the men, this is a determined attempt to establish general insurance by the State in all its branches. Whereas we received from the Premier a gratifying assurance that the measure was to be restricted to employers' liability business, we find that a branch of the Government service is doing fire insurance business and forcing it on unwilling settlers under the Industries Assistance Board.

The Minister for Lands: Did you say unwilling settlers?

Mr. E. B. JOHNSTON: Settlers unwilling to transfer their fire insurance from where it is.

The Minister for Lands: Don't make any mistake about that.

Mr. E. B. JOHNSTON: Many of them have been doing their business with the local co-operative companies, with which they are associated.

The Minister for Lands: And the co-operative companies have been re-insuring for 80 per cent.

The Premier: And that to companies outside the State.

Mr. E. B. JOHNSTON: I suppose the Government are re-insuring in the same way. I regret to say we cannot find out where the Government are re-insuring. We do not even know whether it is with one of the companies established in this State, who are paying rates and taxes here.

The Premier: You can easily find that out.

The Minister for Lands: There has been no objection from any one of the Agricultural Bank's clients that I know of.

Mr. E. B. JOHNSTON: I know dozens who, if permitted, would certainly have continued to do their insurance with their own local co-operative companies and other local agents. I object to their being debarred the right to spend their own money with their own companies.

The Premier: Actually they are not spending it with a local company. The local companies are merely agents, and are passing it on.

Mr. E. B. JOHNSTON: They were spending their own money and paying 7 per cent., a high rate of interest. Of course this is another step in the Government's policy of State trading.

The Premier: When was the last step taken? That was the time that we went full steam ahead.

Mr. E. B. JOHNSTON: The Government desire not only to do all the business, but to make the employers' liability business a State monopoly, and in that way to throw on the other industries the responsibility of contributing towards the carrying of the unfortunate sufferers in the gold mining industry.

The Minister for Works: What right have you to say that?

Mr. E. B. JOHNSTON: If it is made a State monopoly there can be only one object. The desire is to make this work a State monopoly, so that the profits from the other business at present being obtained by

the associated companies shall be diverted to the relief of the sufferers.

The Minister for Works: You have a right to say that?

Mr. E. B. JOHNSTON: If that is the reason I do not know what the reason can be. It is an apparent reason and one that, from the Government's point of view, might be justifiable. I regret that the Government have not confined their insurance to the employers' liability business, as was forecasted by the Premier. They have made a great mistake in transferring to the State insurance office fire and hail insurance business for which there is no urgency, contrary to the provisions of the State Trading Concerns Act.

The Minister for Lands: Where are they doing that?

Mr. E. B. JOHNSTON: Through the Industries Assistance Board.

The Minister for Lands: Nothing of the kind.

Mr. E. B. JOHNSTON: They are doing fire insurance work.

The Minister for Lands: The board is insuring, as it has legal power to do.

Mr. E. B. JOHNSTON: I understood that this was being done with the Government insurance office.

Mr. Lindsay: With whom are they insuring?

The Minister for Lands: They are insuring themselves in accordance with the law.

Mr. E. B. JOHNSTON: The general impression in the country until now has been—

The Minister for Lands: Not in the country; in the towns.

Mr. E. B. JOHNSTON: —that the insurance—

Mr. Corboy: In St. George's-terrace.

Mr. E. B. JOHNSTON: It is the impression on this side of the House that the insurance is being done by the Government. It is news to me that the board are carrying it out.

The Minister for Lands: You are barking up the wrong tree.

Mr. E. B. JOHNSTON: The Minister in his answer to questions had an opportunity of putting me right.

The Minister for Lands: If you had read the answers to the questions you would have known all about it.

Mr. E. B. JOHNSTON: I regret that the Government should have illegally taken ac-

tion in this matter contrary to the provisions of the State Trading Concerns Act.

Mr. Marshall: What would have been done in the meantime?

**MR. ANGELO** (Gascoyne) [4.46]: The Leader of the Opposition and others have referred to the illegal manner in which the Government have embarked upon this new enterprise. It has also been shown that it is not altogether a good business. I am of opinion that it is a rotten business the Government have entered into from the points of view of revenue and profit-making.

Mr. Withers: Is that your principal reason for opposing it?

Mr. ANGELO: Yes. Investigations have shown that there are 560 miners now suffering from miners' phthisis. These represent immediate potential claims against which, up to the present, the Government have received very little revenue. On the basis of £750 a year the Government will have to pay—

The Premier: Stick to your brief.

Mr. ANGELO:—not only that sum to the dependants of the miner who dies, but £120 under workers' compensation, which is allowed for expenses, making a total of £870.

The Minister for Works: Is that so?

The Premier: Your clients have given you misleading information.

The Minister for Works: You are quite wrong.

The Premier: And you ought to know it.

Mr. ANGELO: I find it is £100, making up a total of £850.

The Premier: Why bother about being accurate when you are dealing with insurance?

Mr. ANGELO: Quite another £20 will have to be allowed for small expenses in death cases, etc. When the Minister was bringing down the Workers' Compensation Act he admitted that over 90 per cent. of the claims would come from the mining industry. In Queensland where the workers' compensation extends to miners, the Government have already had to transfer from other funds, during the last eight years, no less than £75,000 to meet the various claims.

The Premier: What does that prove?

Mr. ANGELO: That they are doing rotten business.

The Premier: It proves that the premiums were not high enough.

Mr. ANGELO: I cannot say anything about that.

The Premier: Any fool would know that.

The Minister for Works: Do you know what the premiums were when they started operations in Queensland?

Mr. ANGELO: No.

The Premier: Of course not. That is the whole point.

Mr. ANGELO: If we take the Queensland figures we must see that this is a rotten business.

The Minister for Works: But you have not taken the Queensland figures.

Mr. ANGELO: It is a rotten business from the profit-making point of view.

The Premier: Of course, the loss would have been greater still if they had not charged any premiums.

Mr. Corboy: You are quoting only what suits you.

Mr. ANGELO: Let the Government supply us with the information.

Mr. Corboy: You can get it from the source from which you obtained your present information.

Hon. Sir James Mitchell: We are entitled to get the information. Why should we not have it?

Mr. Corboy: I wish you would get it.

Mr. ANGELO: Since the Queensland Government undertook this business, there have been no fewer than 803 claims for miners' phthisis cases in eight years.

Mr. Panton: You do not believe in insuring against miners' phthisis.

Mr. ANGELO: Yes, but it should not be made retrospective. The present miners who are suffering from the disease should be relieved in another way.

The Minister for Works: You agreed to the passing of the Bill.

Mr. ANGELO: If we accept the Queensland figures we shall have an average of 100 claims a year. In Western Australia we have nine times as many miners as they have in Queensland. Instead of having 100 claims to deal with, we shall probably have 900 claims.

The Premier: You are a great statistician.

Mr. ANGELO: The Government have entered upon this business without knowing anything about the risks they are undertaking.

The Premier: You do not know anything about it.

Mr. ANGELO: I am only going by the experience of Queensland.

The Premier: You have not been able to assimilate the information supplied to you.

Mr. ANGELO: I have gathered this impression from the articles I have read in connection with the Queensland insurance department.

The Premier: A heap of incorrect statements have been made concerning that.

Mr. ANGELO: Is it incorrect to say that there were 803 claims in eight years?

The Premier: It may be as incorrect as the other information in your possession.

Mr. ANGELO: I hope the Premier will advise the House as to what is correct. I gather that these are the figures in connection with the Queensland insurance scheme.

The Premier: A lot of incorrect figures have been published in that regard.

Hon. Sir James Mitchell: They have published a report.

Mr. ANGELO: We are told in the report of the Royal Commission on Mining that there are 3,500 miners employed in this State. At the rate recommended for insurance, namely £4 10s. per cent., and taking the average wages at £220 per annum, we find this represents a revenue of £38,500 a year, that the Government Insurance Department will receive from the mining industry. According to the Queensland figures, if we multiply that nine times, for we have nine times as many miners as they have in Queensland, we stand to lose annually £800,000 a year as compared with a revenue of £38,000.

The Premier: That is ridiculous.

Mr. ANGELO: I will cut it down by a quarter if the Premier likes.

The Premier: Cut it down by anything you like.

Mr. ANGELO: On the figures, this is what the Government will be liable for, if we accept the experience of Queensland.

Mr. Marshall: Are you aware that the Queensland measure is very different from the one which passed this House?

Mr. Teesdale: Who is making this speech?

Mr. ANGELO: This is not an insurance business. I do believe that the miners who are diseased should have relief.

The Premier: Oh yes!

Mr. ANGELO: It should not be given by starting a State Insurance Department. The Government have entered into the establishment of a department which must be a huge losing concern, and will necessitate an attempt on their part to bolster it up in other

ways, such as was going to be done last night by including the insurance of buses and other motor vehicles.

The Minister for Lands: The insurance companies are very philanthropic people.

Hon. Sir James Mitchell: The Government are not philanthropic.

Mr. ANGELO: I have made inquiries from the insurance companies, and have been assured by one and all that the workers' compensation branch of their business has been most unpayable since the introduction of the last Workers' Compensation Act.

The Minister for Works: Why are they kicking up such a row about the Government having the monopoly?

Hon. Sir James Mitchell: Everyone has right to kick up a row.

The Premier: Apparently they are very much concerned about losing this unpayable business.

Mr. Mann: Where is it going to end?

Mr. ANGELO: That is the vital question. I have been assured that there is no profit in this class of business. That is why the companies would not quote for the business of miners' phthisis risks, until they were fully acquainted with the nature of the risk they were asked to undertake. They were asked to give a quote for this new business without knowing where they stood. It was not until after they said they could not give a quote that the number of miners affected was disclosed through the columns of the "Worker". They were never asked to quote for the business subsequent to the investigations being made. This is not really an insurance business. The money should be taken out of Consolidated Revenue for the relief of the miners who are now affected. Then perhaps the insurance companies would be able to start with a clean sheet on the men who are not affected. Had that been arranged, I am sure a satisfactory settlement of the difficulty would have been arrived at. In introducing the Workers' Compensation Act, the Minister said that the law cannot be made retrospective, that we could not by this law cover the men already stricken down by miners' phthisis. Immediately after that he introduced a Bill which makes it retrospective. I hope this Bill will not be passed and that some other scheme for compensating miners now afflicted will be devised, such as the method of making the payments out of Consolidated Revenue. If the Minister wants the companies to give a quote for

the business, they are in a position to do so now that they know exactly what the risk is that they are expected to undertake.

**MR. NORTH** (Claremont) [4.58]: It is obvious from what we have heard from the Government that an enormous debt is due to the miners, but the question at issue is whether the present Bill is the only or the best method of meeting that debt. It occurs to me that in future greater precautions will be taken to prevent the number of cases that have occurred in the past, both by means of better machinery and better devices for dealing with the silica, and better medical inspection. This load still remains upon the community. With other members of the Opposition, I contribute to the idea that the State should carry the burden, as it would have to carry the burden in the case of a sudden earthquake, or other national calamity. The Bill comes to a question, however, of this being a further encroachment upon the individual effort of the community. That is the main reason for my opposition to the Bill, not because a given State department may or may not be efficient, or because the companies may or may not perhaps be cutting as good a figure as they should in the community. I do not hold any brief for the companies and certainly none against them. But I intend to take the stand I adopted on the hustings, and which I have maintained during this Parliament, that whereas I am an individualist, the Government are collectivists. Recently I saw an excellent definition of those two divergent forces. At times it is hard to justify the Government in some of their statements, and to justify the Opposition in some of their actions. In some cases the Opposition have deliberately favoured State enterprise, and in other cases the Government have shown leanings towards businesslike attitudes. The definition I refer to is that an individualist is a person who distrusts socialism but is prepared to make certain exceptions, whereas a socialist is a person who distrusts individual effort but again is prepared to make certain exceptions. In the present case I fail to see why, with so many State enterprises already existing, we should embark on State insurance. The strongest point made by the Premier was that in America, that land of initiative and joint stock companies and millionaires, State insurance exists to-day. Certainly it is a telling point, and hard to answer.

**Mr. Marshall**: Has not New Zealand State insurance?

**Mr. NORTH**: I am not interested in that for the moment, because New Zealand is known to be a highly socialistic State. My answer to the argument from America is that in the United States, where even telegraphs and telephones are dealt with by companies and State enterprise is practically non-existent, possibly the insurance business is being run by the authorities as being the most suitable, if any can be said to be suitable, for Governments to embark on. The Premier himself has said that many things are not suitable for State enterprise, but that the undertaking of insurance is one that can be managed well by the State. Western Australia has nearly 60 millions of public money tied up, largely due to our public undertakings, 20 millions being represented by the railways. It may fairly be argued that this State has reached the saturation point in socialistic enterprise. If to-day we had a clean sheet in that respect, having sold our railways and otherwise cleansed ourselves of State enterprise, there might be much more excuse than there actually is for undertaking insurance as a Government activity. Ministers seem already so much occupied with the affairs of State enterprises that they cannot give the necessary time to other work without extending the number of portfolios. Even that matter is really not an objection to the Bill, because it can be dealt with by administration. Still, owing nearly 60 millions of debt across the sea, largely on account of State enterprises, we ought to pause before embarking on the present proposal. If a heavy loss were incurred through State insurance, the blow might prove almost disastrous. That danger could only be avoided by re-insuring outside Western Australia, a step which would defeat the object of the measure. The State already has so many important activities that it is not desirable at the present juncture to enter into a new business activity. The matter could be dealt with out of Consolidated Revenue. It might be argued that there was no difference between meeting the charge out of Consolidated Revenue and starting another insurance office. However, that is a matter of opinion. I have never dogmatised either here or on the hustings, that State enterprise is the wrong thing and individualism the right thing. I believe in Sir Richard Burton's theory of suspended judgment. We shall not know for the next 20 or 30

years which is the better system. Still, I am here to put forward the views of the side I have chosen, and to show, as far as I can, the weakness of the other side. Thus I contend that it will be a great day for Australia generally when the Labour movement as a whole dissociates itself from State enterprises as a main plank. There are other planks of the Labour platform which will bring about the aims of the movement without extending the principle of State trading. I oppose the second reading of the Bill.

**MR. BROWN** (Pingelly) [5.7]: I fail to see that the Bill is necessary. In introducing the measure the Premier said there were 66 insurance companies doing workers' compensation business in Western Australia. If that is so, why in the name of goodness should the Government embark on this State enterprise? The business is already catered for. It has been stated that the companies refused to take the risk of miners' complaint, but I am given to understand that they were quite willing to accept that risk provided they had an assurance as to the number of miners affected. The information was refused, and the only alternative the companies had was the impracticable one of sending their own medical men to make examinations. They obtained the information through the "Worker" later, but it was refused them by the Minister.

The Minister for Works: That statement is absolutely wrong.

**Mr. BROWN**: The companies refused to accept the risk at a premium of £4 10s. per cent. because that premium was inadequate, having regard to the number of miners affected. The Government are prepared to accept the risk because the general taxpayer will have to meet any loss. The Government will make the good pay for the bad in this matter. Seeing that there are 66 companies operating in Western Australia, is it desirable to give the Government a monopoly and so wipe out those 66 companies? It takes all sorts to make a world, and to a certain extent we all live on one another. The 66 companies operating employ a great number of people, on whom many others live. It is not desirable to give the Government a monopoly of insurance. The statement has been made that all I.A.B. clients must insure with the Government.

The Minister for Lands: Have not you and the member for York waited on me with regard to the supply of wire netting?

**Mr. BROWN**: Yes.

The Minister for Lands: Why should the Government supply wire netting? Why not leave it to private enterprise?

**Mr. BROWN**: The Government have a right to take on any business that private enterprise will not touch. It is all very well for Ministers to laugh, but we know that private enterprise will not, for instance, build a railway into the bush. In any case, private enterprise would not be permitted to do so. The Government now propose to establish another State enterprise, believing that it will prove a paying proposition. Letters have been sent out to road boards telling them that they have no option but to put their insurances through the Government. The road boards are doing so. In that there is a certain amount of commercialism. The farmers are being organised, and are co-operating for many purposes. As one result, they now have an insurance system of their own. That system will be wiped out if this Bill passes. The Government had no occasion in the wide world to introduce the measure. If the facts had been put before the insurance companies, they would have quoted for the miners' phthisis risk.

**Mr. Marshall**: Yes, and they would have downed the mining industry.

**Mr. BROWN**: Nothing of the sort. Government enterprises designed for the development of the country are not expected to pay directly. The return from them is in the form of increased population and greater revenue. I fail to see that this Bill is going to assist in the development of the country. Miners and other men now have the opportunity to insure themselves. There is nothing to stop me or any other man from going to an insurance company and taking out a workers' compensation or accident policy. The Bill has been brought down for the sake of only a few people. The miner's calling is known to be precarious and dangerous. Statistics show that miners do not engage in their avocation for many years without developing miners' phthisis. However, to make a living men will venture into this class of work, believing it to be a payable proposition. If a man enters into a dangerous calling like mining—

**Mr. Sleeman**: Mining is one of the worst-paid occupations in Australia.

Mr. BROWN: I do not know that, but I know it is a dangerous calling. Still, men will follow it if the pay is better than in other pursuits. When a goldfield breaks out in New Guinea or some other fever-stricken country, miners will go there just the same.

Mr. Panton: And there is no Workers' Compensation Act in New Guinea!

Mr. BROWN: At one time I thought that wherever there was a loophole for getting out of responsibility, the insurance companies would fight. However, I now believe that the Government would be the first to take advantage of a technical point in order to avoid paying.

Mr. Panton: What makes you think that?

Mr. BROWN: I know it is so from experience.

The Minister for Lands: A member of Parliament should know far better than that. You know nothing whatever about the subject.

Mr. BROWN: I do know that letters have been sent by the Government to the road boards, and that the road boards have said, "To a certain extent we are a Government institution, and the Government appear to desire our business. It might be just as well for us to give our insurance to the State office, with a view to getting special grants in future." To a certain extent the letters sent out by the Government were intimidation. If there were absolute need for the Bill, I would support it; but I fail to see why, when so many insurance companies are at work here, the State should go into the business. If the Government are to depend solely on covering the miners' phthisis risk, they will make serious losses, as has been conclusively proved by the figures which the member for Gascoyne (Mr. Angelo) and other hon. members have quoted. In Queensland, State insurance has been a losing proposition. I have read that myself. The Government here have apparently overcome their difficulties, for it is their intention to create a monopoly and compel the compensation business to go to the State department. That is not right. We should not work against the interests of private enterprise and try to wipe out private enterprise. Hon. members know that we live on one another. To a certain extent we take in one another's washing.

Mr. Panton: Quite right.

Mr. BROWN: Hon. members can go into any town they like and they will find out that it is so.

Mr. Panton: We agree with that.

Mr. BROWN: We know that a large number of agents are going round the country looking for insurance business and that is all for the welfare of the country. I hope the House will not agree to pass the Bill. I am very sure, however, that they will not turn it down. At any rate, it is possible to put up a case here that will be for the enlightenment of hon. members in the Legislative Council. I oppose the second reading of the Bill.

Mr. Panton: That is unfortunate!

**THE MINISTER FOR WORKS** (Hon. A. McCallum—South Fremantle) [5.17]: I am amazed at the amount of misrepresentation and ignorance of the position regarding this measure that has been expressed both inside and outside Parliament.

Mr. Marshall: Yes, absolute rubbish.

The MINISTER FOR WORKS: The speech of the member for Pingelly (Mr. Brown) was typical of a great deal that we have read and heard about the subject lately. To realise that any hon. member of the House could display such ignorance as did the last speaker is truly astounding. It makes one wonder what is coming to the country when we find men in Parliament, who are expected to legislate for the country, showing such ignorance, such want of knowledge—

The Premier: Of facts.

The MINISTER FOR WORKS: Yes, want of knowledge of every-day matters, such as the member for Pingelly has just displayed. We are aware that the insurance companies have engaged the services of a pressman, to whom they are paying £500 for three months. The engagement of that individual is for the purposes of Press propaganda. He is out to earn his money. He does not care whether what he publishes is an untruth or misrepresentation, nor does he care what lies are published, so long as he draws his 500 guineas. The Press, too, give him full play. In addition we have had indications of the propaganda displayed in Parliament, when members opposite have asked questions that were obviously prompted by the insurance companies. Propaganda has been distributed amongst hon. members here with the object of influencing them against the Bill now under discussion. As an indication of the

misrepresentation and untruths disseminated amongst the public, I wish to refer to the leading article that appeared in the "West Australian" of the 22nd September, headed "State Insurance: An Alternative." One would expect that a man occupying the position of leader writer on a journal such as the "West Australian," would be possessed of the facts.

Hon. Sir James Mitchell: Why don't you give us the facts here?

The MINISTER FOR WORKS: One would think that such a leader writer would have the facts. According to the article, however, it is clearly demonstrated that either he did not have the facts, or he rashly and deliberately misrepresented the truth.

Hon. Sir James Mitchell: Why not give us the facts?

The MINISTER FOR WORKS: I will do so as I go along. The article starts off as follows:—

The muddled condition into which the whole question of workers' compensation has been permitted to drift in Western Australia is a striking illustration of the danger of precipitate action . . . . .

Of course we are all aware that is the whole trouble behind the agitation on the part of the insurance companies. They wanted the Workers' Compensation Act, and matters relating to workers' compensation, to get into a muddle. They desired to see it a failure. They wanted to see chaos and muddle. The fact that everything has been working smoothly, with the exception of one point, has displeased them. That one point is that we hope to get quicker decisions and to expedite matters so that action may be taken speedily. Everything in connection with workers' compensation matters is working quite smoothly. There is no complaint against it and the muddle exists only in the imagination of the people to whom I have referred. The whole trouble is that because there is no muddle, and because we have overcome the difficulties that they created, and surmounted the obstacles that these people placed in our way, it has given rise to complaints.

Hon. Sir James Mitchell: What scheme are you talking about?

The MINISTER FOR WORKS: The next point I wish to refer to in the leading article is contained in the following extract:—

. . . . . the Government, in its first year of occupancy of the Treasury benches, rushed through Parliament the Miners' Phthisis Act.

It did not halt to give the matter the consideration which was its due, with the result that an amending measure had to be passed in 1925.

The Premier: Rushed through Parliament!

The MINISTER FOR WORKS: Here is the leading newspaper in the State saying that the present Government in the first year of office rushed the Miners' Phthisis Act through Parliament. These newspaper people have become so used to accusing Labour men of doing rash things without considering the results that would follow, of rushing into matters without considering the facts, that they do not themselves look beyond that which merely appears before them. The Miners' Phthisis Act was introduced by the Government led by Sir James Mitchell, the Leader of the Opposition to-day.

Hon. Sir James Mitchell: Of course it was.

The MINISTER FOR WORKS: It was the law of the land two years before the Labour Government came into office.

The Premier: This reliable authority, the "West Australian," said that we did it!

The MINISTER FOR WORKS: This reliable authority accuses us of rushing into matters, of being unreliable and irresponsible, yet such an irresponsible, rash statement as that included in the leading article is published to the world.

Hon. Sir James Mitchell: Well, what did you do?

Mr. SPEAKER: Order! Hon. members must cease interjecting.

The MINISTER FOR WORKS: In order to make a charge against the Government, the "West Australian" makes rash statements, presumably not knowing that the Act was the law of the land two years before we took office.

The Premier: But anything is good enough to belt the Government with just before an election!

The MINISTER FOR WORKS: That is what it amounts to.

The Premier: Yes, just propaganda.

Hon. Sir James Mitchell: What about those cartoons you put out?

The Premier: We did not put them out.

Hon. Sir James Mitchell: They disfigure me; they make me look like a balloon!

Hon. G. Taylor: And you object to that?

The MINISTER FOR WORKS: The article goes on—

Instead of seeking earnestly to come to an agreement with the insurance companies and redeeming his promise to consult Parliament



if satisfactory arrangements were not concluded, he adopted a stand-and-deliver attitude which made negotiations impossible . . . . .

That, of course, referred to me as the Minister in charge of the negotiations.

Hon. Sir James Mitchell: By heavens, you said many things in many ways about it.

The MINISTER FOR WORKS: For 15 solid months I carried on negotiations with these people both in Perth and in Melbourne. I met them periodically in conference, exchanged ideas [with their officers and with their committee, and met the full committee of the insurance companies in conference on several occasions. I discussed every phase of the position with them. All matters had to be referred to the head offices in Melbourne. While in that city I met every one of the leading insurance people in Australia on two or three occasions, and actually went without two meals in order to give my time to discussing matters with them!

Hon. Sir James Mitchell: You made a sacrifice there.

The MINISTER FOR WORKS: No effort was spared in an endeavour to arrive at an amicable agreement. We tried to agree on figures so that the insurance companies could do the business. We tried to come to terms. Right through, the negotiations were carried on in a friendly spirit, and correspondence from the companies that appears on the files shows that on more than one occasion they expressed appreciation of the time I had given to discussing matters with them, and for the way in which the business had been dealt with. That continued right through until the time when the statement appeared that we had started the State office. From that time we were everything that was bad. No good word could be said regarding us and now we are accused of adopting a stand-and-deliver policy and refusing to give consideration to proposals they put forward. It has been said on previous occasions, and repeated this afternoon, that the reason the companies refused to quote figures was that we declined to give them information in our possession. I repeat the statement I have made so often, that I asked these companies whether they would quote a figure, if we supplied all the information at our disposal. I asked them whether, if we supplied all the information that the medical examiners had, and furnished them with all the particulars dis-

closed by the laboratory examinations, they would guarantee to quote a figure. I offered them everything I had on condition that they guaranteed to quote a figure. They declined to do so.

Hon. Sir James Mitchell: Why did you not give them the information, anyhow?

The MINISTER FOR WORKS: I will read a letter I sent to one of the companies in June of this year, and the reply I received. The letter I sent was as follows:—

In reply to yours of the 29th ult., I have to advise that Cabinet regrets it is unable to make any distinction between your company and the other insurance companies, and the offer which was made by me to the representatives of the insurance companies in conference, namely, "that the Government would make available the figures disclosed as a result of the medical examination, conditionally upon the companies undertaking to quote a figure as a premium to cover the risk" is made to your company in the same spirit as I submitted it to the conference. You will understand, of course, that in view of the fact that the Proclamation will take effect from the 15th of this month, an early decision is essential, and I would like an answer from you within the next day or two.

Therein is a distinct offer indicating that the Government were prepared to make all the facts available to the companies conditionally upon them giving an undertaking to quote a figure regarding the premiums to cover the risks. The reply I received from that particular company was as follows:—

My directors have instructed me to express their regret that their efforts to induce the Council of the Fire and Accident Underwriters' Association to guarantee to quote a rate has proved unsuccessful. I am directed to express our disapproval of the Council's decision as we are still of the opinion that the result of the medical examination made by the Government would have enabled the business to be underwritten. We also have to inform you that our representative in Melbourne failed in his endeavours to get the Council to interview the Premier.

There is the position, and yet we have had the spectacle this afternoon of a member of this House repeating the accusation that has been made so often against us, that the reason the companies refused to quote was that information was denied to them. There is the correspondence. It discloses that we offered to give the companies the information but they would not agree to give the quote.

Mr. Sampson: Was it possible to disclose the information so early?

The MINISTER FOR WORKS: This was in June of this year.

The Premier: After the examinations.

Hon. Sir James Mitchell: Why did you not disclose it then?

The MINISTER FOR WORKS: They would not agree to quote a figure.

The Minister for Lands: You do not like it.

The MINISTER FOR WORKS: I have given the House the information and have read the correspondence between myself and one of the companies.

Hon. Sir James Mitchell: You should have given the information to the companies.

The Minister for Lands: You have had so many untruths, that you do not like the truth.

Hon. Sir James Mitchell: I have listened to you for a long time and I hope not always have I listened to untruths.

The MINISTER FOR WORKS: To say that we were not prepared to give the information available, if the companies would quote a premium rate is not correct.

Hon. Sir James Mitchell: You should have supplied the information.

The MINISTER FOR WORKS: The "West Australian" went on to say—

The Government's own lack of confidence in the equity of its determination was shown by the fact that it refused the offer of the companies to write the business subject to a Government guarantee against loss.

Here was business that was made compulsory! People were forced to compulsorily insure their risks. The Government asked the companies to do the business and this shows that the latter would not take that business on unless the Government would guarantee them against loss. Such a proposition is so ridiculous that no body of men with any sense of their responsibility would entertain it for a moment. It may be argued from that point of view that we wanted the companies to undertake the business at a loss. I have before me a copy of the minutes of a conference held between the representatives of the companies in Melbourne and me on the 4th February of this year. The minutes were taken by their own secretary, not by my secretary, and a copy was sent to me afterwards. The items appear under various headings. Item No. 4 reads—

The Government should not expect companies to take their unprofitable business while the business from which there is a chance of making a profit is placed with Lloyds in London. But companies assume that the Government have renewed their fire policies with Lloyds merely from a feeling of fair play, having in

view the fact that Lloyds have paid them very heavy losses during the past 12 months.

They clearly admit that the profitable business had to make up for the unprofitable business. That is their own declaration.

The Premier: And now they suggest that that is what we wanted.

The MINISTER FOR WORKS: Yes they blame us and say it is immoral of us to adopt that attitude. As for their argument that we asked them to undertake business on which they could not make a profit, this is what their minutes record. Members are aware of the suggestion that this business should be pooled, that the whole of the companies should combine and do the business with the mining companies. The minutes state—

While Mr. McCallum did not definitely state how the companies' pool would be reimbursed for any such deficiency, he implied that the Government would make provision in some form for that contingency. . . . He expected that companies would accept this business under a pool, and foreshadowed that the Government policy would be in the direction of helping the mining companies if the premium had proved too heavy for the industry.

There is the policy of the Government outlined in their own minutes. No suggestion was made on behalf of the Government that the companies should undertake the business at a loss. Further, to prove the point that we went to the very limit in negotiating with the companies to try to effect a settlement, their head representatives visited Perth where I had a discussion with them. They then said they would have to report to their offices in Melbourne, and they left their local representatives to negotiate further with me. I had one or two conferences with them, and they then sent a direct representative from this State to a conference in Melbourne. That conference was held in Melbourne at the time the Premiers' conference was taking place, when our Premier was in Melbourne. We suggested that if there was any point they required to be cleared up or if any discussion was necessary, the head men in Melbourne should meet the Premier and discuss it with him on the spot. The letter of the 28th, written by one of the companies in Perth—I have already quoted portion of it—continues—

We also have to inform you that our representative in Melbourne failed in his endeavours to get the council to interview the Premier.

I understand the question of interviewing the Premier, discussing the matter with him, and endeavouring to find a solution was put

a vote of the meeting, but was defeated by an overwhelming majority. They declined to discuss the matter further with the Premier and turned down the whole proposition. That left us entirely without redress. They declined to quote a premium to the business or to discuss the matter with the Premier. What was left for the Government to do? There was only one course open to us unless we said to the miners "Although Parliament has passed this law and said you are entitled to the money, the insurance companies will not do the business and therefore you cannot get what Parliament said you are entitled to."

Mr. Mann: Did you offer it to Lloyds?

The MINISTER FOR WORKS: No; I had no discussion with Lloyds about it.

Mr. Marshall: Who took the attitude of standing aloof on that?

Mr. Mann: Have you come to the rescue again?

The MINISTER FOR WORKS: Another statement made in the leading article from which I have quoted was as follows:—

The Minister withheld from the companies essential information, and demanded that they should charge a rate arbitrarily fixed for an unknown liability. If the proposed rate was a fair one, the fact was known only to the Minister and his departmental committee, for to them only were the data on which it was based available.

There is not the least foundation in fact for that statement. Every bit of information before the committee was supplied to the companies. The medical examination, however, had not been finished when the committee sent in their report; it was not finished until months afterwards. The inference that the committee possessed the information disclosed by the medical examination and that we denied it to the companies is absolutely wrong. On the face of it, it was impossible for the committee to have the information because the medical examination was not then completed. Every document that the committee had was supplied to the insurance companies, who had a copy of every detail of the committee's findings. That is the kind of misrepresentation made to the people to lead them to believe that the Government adopted a stand-and-deliver policy, and that it was the fault of the Government that the companies would not undertake the business. All the facts and all the documents on the files show that we did everything possible to get the companies to undertake the business. When they declined to quote a

figure of any kind, there was only one course open to us.

Hon. Sir James Mitchell: You might have given them all the information if you wanted them to quote.

The MINISTER FOR WORKS: I asked them whether they would guarantee to quote if I supplied them with the information, but they played with us for 15 months. When we agreed at the first conference on the rates for workers' compensation generally, the companies agreed to collect information from other countries, and I promised to collect what information could be obtained through the Government. I carried out the Government's part of the bargain, but so far as I know, the companies did not lift a little finger to get any information. We brought from Queensland a man nominated by the Queensland Commissioner; we appointed our own actuary and the Under Secretary for Mines, who tabulated all the information, went into all the details and recommended what premium should be charged. All that information was given to the companies, and so far as I know they did not lift a little finger to get any data for themselves.

Hon. Sir James Mitchell: I cannot understand why you did not submit to them all the information and then say, "Now quote."

The Premier: We did.

Hon. W. D. Johnson: Surely that is not a business way of doing it!

Mr. Davy: You declined to give them the information.

The MINISTER FOR WORKS: The member for West Perth is referring to the information about the medical examination, which was not completed until months afterwards.

Mr. Davy: But you did decline to give them the information.

The MINISTER FOR WORKS: We did not. I have read letters that passed between the companies and me; the hon. member was not in his seat at the time.

Hon. Sir James Mitchell: You said you would give them the information if they guaranteed to quote.

Mr. Davy: They asked for the information and you would not give it. I read the letter the other night.

The MINISTER FOR WORKS: I said they could get the information if they guaranteed to quote.

Mr. Davy: Why should they guarantee to quote?

The MINISTER FOR WORKS: Why should the Government be dilly-dallied about for 18 months? We were fooled about for 18 months and the miners were kept out of their rights for 18 months, rights that Parliament said they were entitled to.

Hon. Sir James Mitchell: Did you mean that you wanted the companies to quote within a certain time?

The MINISTER FOR WORKS: No: I fixed no time. I have already explained to the House that it was 15 months from the time we fixed our first figure for the general compensation until negotiations were broken off with the companies.

Hon. Sir James Mitchell: What do you call the general compensation?

The MINISTER FOR WORKS: Compensation for all accidents.

Hon. Sir James Mitchell: What had you to do with that?

The MINISTER FOR WORKS: I shall explain that presently. What I have said shows clearly that everything possible was done by the Government in order to get the companies to quote a figure, but they declined to do so. Once they declined to do the business, there was only one course open to us.

Mr. E. B. Johnston: Why did not they quote if the remuneration was there?

The MINISTER FOR WORKS: I do not know.

The Premier: They could have fixed anything they liked.

The MINISTER FOR WORKS: That is what I cannot understand. It was open to them to fix any figure, but they would not name a figure of any kind. Why they should have refused, I cannot understand. According to the minutes of the Melbourne conference that I have read, they clearly indicated that the Government would come to the assistance of the pool or help the mining companies if the premium proved to be too high. In face of that, they declined to quote. I am getting tired of having so often to refute the erroneous statements that have been made; there has been so much misrepresentation and so many untruths have been told. If people have a case against me, why cannot they stick to facts? I do not mind if people differ from me. If they are opposed to this sort of thing they can, while differing, still stick to facts. The leading article I have quoted was based on false information. The statements made have no truth in them, but the way in which they

have been blazoned out to mislead the public makes one tired.

Hon. Sir James Mitchell: I think you have made a few contradictory statements.

The MINISTER FOR WORKS: I do not think I have. Throughout I have said that I tried my level best to reach an agreement with the companies and that they declined to quote a figure. The correspondence I have read proves that. Their own minutes of the Melbourne conference bearing the signature of their own secretary show that there was no intention on the part of the Government that the companies should do the business at a loss.

Hon. Sir James Mitchell: We are not representing the insurance companies.

The Premier: No one is saying that you are.

Hon. Sir James Mitchell: Then, why not reply to us and not to outside people?

The Premier: This is the right place to reply to misleading statements published from morning to morning.

The MINISTER FOR WORKS: After the statements made by the member for Pingelly (Mr. Brown), are we to remain dumb? A member of Parliament should know the facts and should not put up that kind of stuff.

Mr. Davy: Why did they ask for this information, and why did you refuse to give it on the ground that it would be illegal to do so?

The MINISTER FOR WORKS: The part that it would have been illegal to supply was the names of the men.

Mr. Davy: They did not ask for the names.

The MINISTER FOR WORKS: How does the hon. member know what I was asked for?

Mr. Davy: From the letter I read and which you accepted as being correct.

The MINISTER FOR WORKS: I do not remember the hon. member's having read any letter.

Mr. Davy: Well, I did.

The MINISTER FOR WORKS: The hon. member cannot say what I was asked for, though I know he has had a good deal pumped into him. We sat in conference day after day and month after month. I know what was asked of me, and I do not want to be told it by the hon. member.

Mr. Davy: How do you explain the letter I read? The only ground you had for re-

fusing the information was that it would be illegal to do so.

**THE MINISTER FOR WORKS:** I said nothing of the sort. If the hon. member had been in his place a little while ago, he would have heard my explanation.

**Hon. Sir James Mitchell:** The member for West Perth is referring to another letter.

**THE MINISTER FOR WORKS:** He did not quote a letter of mine.

**The Premier:** Members opposite are not entitled to assume that a member admits the correctness of a statement simply because he does not deny it at the moment.

**Mr. Davy:** I think it would be fair to me for the Minister to say whether this letter is correct.

**The Premier:** A dozen letters might be read, but the Minister might not have his attention upon them at the moment. Still it would not be safe to assume that he admitted the correctness of the letters because he did not deny it at the time.

**THE MINISTER FOR WORKS:** The companies were offered the information if they would guarantee to quote a figure. They cannot deny that because here is their letter.

**Hon. Sir James Mitchell:** But the letter the member for West Perth refers to is the one in "Hansard."

**THE MINISTER FOR WORKS:** The speech of the member for Pingelly is also in "Hansard." Will you take that as being true? I suppose that will be quoted outside.

**Hon. Sir James Mitchell:** But this is your own letter.

**THE MINISTER FOR WORKS:** And what is in my letter will stand. The other night the member for West Perth (Mr. Davy) quoted figures to show that the private insurance companies had contested so few cases, but he failed to tell us the number that had not been contested. Of course, the hon. member meant the number of cases contested in the courts. That, however, is not an indication of the number of disputed claims, and it does not give us an idea of the enormous amount of money the workers in this country have been robbed of by the insurance companies through being beaten down. I have had as much to do with workers' compensation as I suppose any man in this country. For over 12 years I handled cases representing almost every industry in the State, and I cannot remember one instance where I was able to get a settlement without having to compromise.

In the days before the worker had the right to sue for a lump settlement, the right to fix the lump settlement rested entirely with the companies. The companies would make an offer, and if the workers did not like to accept that offer, they suffered. The companies simply starved the workers into accepting. Even now the companies offer a figure and the worker has to accept that or go to litigation, and most workers are not in a position to fight insurance companies. In nearly every instance they are beaten down and deprived of the money in respect of which premiums have been paid.

**Hon. Sir James Mitchell:** In the little experience I have had, the companies have been prompt in their settlements.

**Mr. Chesson:** Then you have had very little to do with them.

**THE MINISTER FOR WORKS:** I am talking of my own experience, which is wide.

**Hon. Sir James Mitchell:** I know it applies to all things and all matters.

**THE MINISTER FOR WORKS:** Mine is a wide experience covering many instances. If I only cared I could give definite instances of scores of deliberate cases where workers have been deprived of that to which they were entitled.

**Hon. Sir James Mitchell:** Give us the names of half a dozen.

**THE MINISTER FOR WORKS:** When I made a statement in the House the other night that the insurance companies wanted to increase the rate in respect of general workers' compensation by 40 per cent., it was doubted. I notice by this morning's paper that the insurance companies admit they wanted a 40 per cent. increase in the rates. I refused to approve of that increase.

**Hon. Sir James Mitchell:** You had nothing to do with it.

**THE MINISTER FOR WORKS:** I did have something to do with it, and every employer in this country has to thank the Government for the action we took at that conference because it saved them a 15 per cent. increase on their wages payments.

**Mr. Davy:** I could start a company tomorrow and cut rates, but how long would that last?

**THE MINISTER FOR WORKS:** No doubt the hon. member could with a Government guarantee against loss. The "West Australian" said that we should have agreed to give the guarantee against loss, but I suppose if we had done

so that paper would have been the first to hold us up to public ridicule. That was the action we took; we refused to approve of the 40 per cent. increase. The Government Actuary examined the whole position, and the arrangement was that at the end of each year all papers and documents had to be open to the Government Actuary, and if the figure fixed was not reasonable the Government Actuary could allow an increase; if it was too high, he could order a decrease. There was also the right of appeal from the Government Actuary to the Auditor-General. That shows that everything was free from political domination.

Mr. Teesdale: What is your idea of a fair increase in the rates, bearing in mind the increased liability?

The MINISTER FOR WORKS: I was guided by the Government Actuary's view, as any man in my position should be. We had our expert there to examine the position, and he recommended a 25 per cent. increase in the first year as a fair thing, and I stuck to that. As I said the other night, this officer is the only qualified actuary in the State and the insurance companies admit that he has not his peer in the profession. They also said they would accept his views.

Mr. Davy: Why did you not ask Parliament to give you the power?

The MINISTER FOR WORKS: Parliament gave me the power.

Mr. Davy: Not a member of Parliament thought you were going to do this.

The MINISTER FOR WORKS: I am surprised to hear that any member of Parliament thought otherwise. I would not have been a party to compulsory insurance unless there was control over the rates to be charged. When negotiations were broken off, before the State office was established, the insurance companies issued notices to their clients cancelling policies and saying that they were not going in for that business, that they were withdrawing from workers' compensation business altogether. It cannot be argued that it was only from industrial diseases that they were withdrawing; the notice went to districts outside proclaimed areas.

Mr. Withers: The Bunbury Municipal Council were notified.

The MINISTER FOR WORKS: Bunbury and Subiaco were notified. I received this note from the Commissioner of Police only this morning—

I have just had a telephonic conversation with Mrs. Randall, wife of Mr. H. Randall,

of Claremont, who operates several taxis and cabs at that centre. She informed me that on applying to the insurance company for a renewal of the insurance in connection with a taxi, the business was refused and she was informed they refused to take the risk, but would give no reasons. The car is only two years old, so the depreciation would not account for same. Mrs. Randall was very concerned about the matter, as operating a fleet of taxis, she desires to be covered against third party risk. Then the Commissioner makes a suggestion as to what should be done. The insurance company refused to cover her.

Mr. Latham: They have been doing that for a long time with taxis.

The MINISTER FOR WORKS: This woman has now been covered. So far as the insurance business is concerned, it appears to me to be on an altogether different footing from that of an ordinary commercial undertaking where one has to go out seeking trade, where one has to buy and sell quantities. With insurance, particularly with compulsory insurance, it is merely a routine business. The State does not run a risk, and there is no intricacy of business or fluctuations, as there is with an ordinary commercial undertaking. The inference has been drawn, and it has been published in the paper time after time, that we asked the insurance companies to take as risks men who had developed miners' phthisis and tuberculosis. I wish to repeat what has actually happened. We proclaimed the Miners' Phthisis Act immediately after the medical examinations were finished. We were advised of the men who were suffering from tuberculosis, and we ordered that they be withdrawn from the mines. The object was to remove the first source of danger. They had been working underground and spreading the disease.

Hon. G. Taylor: Those are the very people who are causing trouble.

The MINISTER FOR WORKS: No; we took those people out of the mines. The general impression is that we asked the insurance companies to cover those men. The position is that they do not come under the scheme at all; we are keeping them.

Hon. G. Taylor: That is not the general impression.

Mr. Heron: I hope the papers will make the position clear.

The MINISTER FOR WORKS: Those men are not affected by insurance at all. We are keeping them, as well as their wives and families.

Hon. Sir James Mitchell: Were they withdrawn under the Act?

The MINISTER FOR WORKS: Yes, under the Miners' Phthisis Act.

The Premier: We proclaimed the Act.

The MINISTER FOR WORKS: The Act was not proclaimed until we did so. We had to wait for the medical examinations to be completed.

Hon. Sir James Mitchell: You were obliged to wait.

The MINISTER FOR WORKS: Yes. I went to Melbourne to induce the authorities to speed up the examinations. I asked that six doctors should be sent across, but it was only possible for the services of three to be made available. The hon. member thinks I am trying to show that we were responsible for passing the Miners' Phthisis Act. We did not pass it; we amended it.

Hon. Sir James Mitchell: The men suffering from disease were withdrawn, under the Act.

The Premier: The Act could not have been proclaimed earlier because the medical examinations had not been completed.

The MINISTER FOR WORKS: We set out first of all to clean the mines and we brought out all the tubercular cases in the hope of preventing the spread of the germ. The moment that was done the risk was materially reduced. There was not the risk there had been previously; it was greatly minimised. The examination the miners had to undergo was the most thorough that any body of men in Australia have ever been subjected to. Every one of them was put under the X-rays and examined by experts. After a very careful examination and a thorough over-haul every man who was reported by the examiners as suffering from silicosis, and who in the interests of his life ought to be got out of the mines, was offered a job to encourage him to leave the industry. By that means again we very materially reduced the risk and did something substantial to clean the mines so as to hand over the industry as clean and wholesome as it could possibly be.

Mr. Davy: That was the information you felt yourself unable to furnish to the companies.

The MINISTER FOR WORKS: No. it was the information I gave the companies day by day, hour by hour, conversation by conversation. I told them what I am telling you now, every bit of it. Where these figures, this half a million of a potential liability—

The Premier: The member for Gascoyne says it is £700,000.

The MINISTER FOR WORKS: At all events they have built it up to at least half a million. When the Government Actuary had the whole facts before him we asked him how that half million was reached. He confessed himself at a loss.

Mr. Angelo: It was based on Queensland.

The MINISTER FOR WORKS: What nonsense! We were told by the doctors that by taking those men out of the mines, separating them from T.B. cases and getting them into the fresh air, the disease could be arrested in from 75 to 80 per cent. of the cases. Those men are being taught how to live, how to diet: they are given work in the open air, and so the doctors say the disease is arrested and that many years will be added to the lives of the patients. We have done all that to clean the mines in order that we might hand the industry over to the insurance companies in as clean a condition as possible. And in the face of all that, they declined to quote a figure; and in consequence we have to listen to all this misrepresentation and display of ignorance, these untruths scattered about the country. No Government could have done more than we did to arrive at a settlement. Of course the insurance companies are bitterly disappointed. They put it up to me more than once that I should ask Parliament to reduce the benefits to the miners by at least 50 per cent. They pointed out to me that in other countries, although the law had been passed it had remained a dead letter. They pointed out instances of where Parliament, having agreed to do certain things, had repealed the legislation. The companies were long-ing to see this Government ask Parliament to reduce the benefits to accrue to the men under the law, or to repeal it altogether. The companies' greatest disappointment is that we have been able to so organise matters that the miners are getting their rights despite the action of the insurance companies. That is the reason for all the fuss. The companies arrogated to themselves the right to say what the miners should get. Everyone of us here was responsible for the passing of the Workers' Compensation Act. If it contained obligations that we did not understand, that is our own fault.

Hon. Sir James Mitchell: Is it not the law of the land?

The Premier: But if the companies did not accept the insurance, and if we did not

give the business a trial, it would remain a dead letter. That is what the companies were hoping for.

**THE MINISTER FOR WORKS :** We explained to the companies—the minutes of the conference in Melbourne show that they knew—that the Government were prepared to assist both the pool and the mining companies. There is no doubt they strung us on for 15 months in the hope of breaking us down, so that we would agree to modify, if not repeal, this law. Their biggest disappointment is that we have been able to see it through. Things are now working smoothly. There is one little point that should be improved immediately, and that we may ask the House to do this session. Apart from that, the miners are getting their rights and the Government are there to see the thing through. The companies would not do the business, and as Parliament had said the men were entitled to be insured, there was nothing left for us but to start the business ourselves. Had we done otherwise we should have been accused of being cowards, not game to stand up to our responsibilities. The only trouble with our opponents is that we have been able to see the job through.

**MR. LINDSAY (Toodyay) [6.8] :** The debate is hinging, not on the question whether State insurance should come into law, but on the reasons for its coming into law. Since State insurance is the policy of the Labour Party, one could not object to the Government bringing down a Bill to establish State insurance; but the reason for the bringing in of the Bill before us is something that has occurred between the Government and the insurance companies. The Minister for Works has said that when the Workers' Compensation Act was introduced the House knew quite well that he intended to introduce State insurance.

Hon. G. Taylor: Quite wrong.

**MR. LINDSAY :** On the second reading the Minister for Works expressly told Parliament that he intended to meet the insurance companies, and that if he did not make an agreement with them he would come back to Parliament. It might be said that he had no opportunity to come back to Parliament. But only a few moments ago he stated that the negotiations were going on for 15 months; and I am sure that Parliament was sitting for quite an appreciable time during those 15 months. Here is

what the Minister for Works said on the second reading of the Act of 1924:—

I expect the House will hear something from the Premier a little later regarding our insurance laws. It is my present intention to ask the representatives of the insurance companies to meet me in conference in an endeavour to arrange a satisfactory working basis to meet the obligations imposed by the Bill. I am hopeful that we shall be able to come to terms so that no exorbitant charges shall be levied, and so that no great additional impost on industry will be entailed. If I am unable to make satisfactory arrangements with the insurance companies, I shall have to consult Parliament further.

That was the Minister's statement. Instead of consulting Parliament, he has done the job first, and now he says we have to pass the Bill to legalise an illegal act. According to the Minister's statement in 1924, it is clear that his intention was to enter into negotiations with the companies and that, failing a definite arrangement, he would consult the House. "Consulting the House" meant that he would ask the House to pass a Bill for the establishment of State insurance.

Hon. W. D. Johnson: Well, what is he doing now?

**MR. LINDSAY :** He has started State insurance, and now he asks us to legalise it. The Premier said the Bill was for the purpose of workers' compensation business alone, but we find that the State Insurance Office is doing other business. For instance we have it from the Minister for Lands that fire insurance has been done by the Industries Assistance Board; and as we know the Industries Assistance Board cannot carry their own risks, clearly the business has gone somewhere, if not to an outside company, then to the State Insurance Office.

The Premier: It may be amongst the private companies.

**MR. LINDSAY :** When a member was speaking about the insurance done by the co-operative companies, the Minister for Lands asked did they re-insure outside the State. Of course they do. But at the same time a certain amount of the money is retained here. The Industries Assistance Board insurance or the State insurance is also re-insured outside the State. We have been told that Lloyds took the insurance.

The Minister for Lands: Who told you that?

The Premier: You have not been told that any of the insurance you are speaking about has gone to Lloyds.



Mr. LINDSAY: We have been told that certain of the Government insurance business has been re-insured by Lloyds.

The Minister for Lands: And you were told yesterday that the Industries Assistance Board insurance had not gone to Lloyds.

Mr. E. B. Johnston: But we were not told where it had gone.

Mr. LINDSAY: Certainly it has gone somewhere. We have to be guided by information vouchsafed us by Ministers. Only to-night I have heard members on this side put up certain statements that have been denied by members opposite.

*Sitting suspended from 6.15 to 7.30 p.m.*

Mr. LINDSAY: I was dealing with the statement of the Minister for Works who, in speaking of the Workers' Compensation Act, gave the House clearly to understand that if he could not come to an agreement with the insurance companies, he intended to embark upon State insurance. I read portion of the Minister's speech and I now intend to read another portion, from "Hansard" of 1924, page 679.—

If we provide that such insurance must be compulsory and that employers must take out a policy to provide compensation for their employees, it is only right the Government should have some supervision over the work. If we can arrive at some satisfactory working scheme with the insurance companies, we shall be delighted. Failing that, however, we shall have to ask Parliament to give us power to take further action.

The Minister told the House distinctly that before any further action was taken, the Government would ask the House for authority, but the Government have taken action without consulting Parliament. That is where the Government were wrong.

Hon. W. D. Johnson: What would you have done in the meantime?

Mr. LINDSAY: Why was there any need for hurry?

Hon. W. D. Johnson: What about the miners?

Mr. LINDSAY: We are told that the reason this business had to be hurried was on account of the proclaiming of the Miners' Phthisis Act. We have been told in the House to-night that that Act was passed by the Government of which Sir James Mitchell was Premier, but the Act was not put into operation until some years after it was passed. It could not be put into operation until the medical examination was made. When the medical exam-

ination took place, the Minister attempted, as he told us, to make arrangements with the insurance companies, but was unsuccessful.

Hon. W. D. Johnson: You are aware that there is no connection between the two.

Mr. LINDSAY: There is a certain connection.

Mr. Latham: There is a very important connection.

Mr. LINDSAY: The Act could not be put into operation until the medical examination had been made.

Mr. Heron: That had nothing to do with the insurance.

Mr. LINDSAY: It had.

The Minister for Works: I said it had nothing to do with workers' compensation.

The Premier: It does not relate to it.

Mr. LINDSAY: In the workers' compensation measure were certain clauses dealing with miners' diseases—

Hon. W. D. Johnson: Apart from miners' phthisis.

Mr. LINDSAY: And they could not be put into operation until the medical examination was made. The Minister met representatives of the insurance companies and could not come to an agreement. He told us that he gave them all the information for which they asked, but he qualified the remark somewhat by saying—and this is where the insurance companies were probably justified in their attitude—that he offered them the information provided they would guarantee to quote. In other words, he determined to make the companies quote without their having the information.

Hon. W. D. Johnson: That is extraordinary reasoning.

Mr. LINDSAY: The companies had to give a definite promise that if the information was supplied, they would give a quote. How was it possible for them to give a definite promise when they did not know on what they had to quote?

Hon. W. D. Johnson: The Minister was going to give them the information.

Mr. LINDSAY: But he did not give it to them.

The Premier: What the Minister said was that he would give them the information if they would undertake to quote, which is quite a different thing.

Mr. LINDSAY: The Minister was holding a pistol at the head of the insurance companies, just as he often does to this House.

The Premier: No such thing.

Mr. LINDSAY: And he refused to give them the information by which they could ascertain where they stood.

The Premier: That is not the position at all.

Mr. LINDSAY: The Minister said he gave the companies all the information available. The member for West Perth (Mr. Davy), however, read a letter from the Minister to the insurance companies. It appears in "Hansard" of 1926, page 805.

The Minister for Works: You are quoting from "Hansard."

Mr. LINDSAY: I do not intend to quote from "Hansard"; I intend to mention one or two extracts:—

I have your communication of the 24th inst. . . . I can only say that I quite agree with his (the Minister for Mines') decision that he is unable to give you this information as I am of opinion that he would be acting contrary to the law if he did.

The companies were asking for certain information, and the Minister for Works agreed with the opinion of the Minister for Mines that it would be contrary to law to give the information. Yet he has told the House that the companies received all the information they wanted. This is one point on which the Minister was wrong.

The Minister for Works: You are repeating things that are not correct. What do you say to the letter I read here to-night?

Mr. LINDSAY: I have quoted from the letter that appears in "Hansard." The member for Gascoyne (Mr. Angelo) submitted certain information, and I may say that we on this side of the House certainly have facilities for getting information. During this discussion the Government have consistently endeavoured to camouflage the answers to information we have sought. When we have asked by interjection for this or that, we have not been given the information. The member for Gascoyne stated that the maximum liability of the companies was £750 and £120. The quoting of those figures evoked a laugh from the Government side of the House, and it seemed to me that members were trying to belittle the information submitted from this side of the House. I have looked up the Workers' Compensation Act, which stipulates an amount not exceeding in the aggregate £100, but further on it provides, in the case of death, funeral expenses not exceeding £20. So the information supplied by the member for Gascoyne was evidently quite correct.

The Minister for Works: But the amount of compensation is £650 and not £750.

Mr. LINDSAY: Yet the Minister tried to discount the information.

The Minister for Works: It is £750 for total incapacity and £650 for death.

Mr. Latham: And the workers concerned are likely to be totally incapacitated.

The Minister for Works: But you cannot have it both ways.

Mr. LINDSAY: The member for Gascoyne was dealing with the maximum liability of the insurance companies, and yet the Minister for Works ridiculed his figures. Whenever any member gives information to the House, it must be wrong, according to the Minister for Works.

The Minister for Works: So it is wrong.

Mr. LINDSAY: Those figures are contained in the Act that the Minister piloted through this House, and he ought to know it.

The Minister for Works: You ought to know it, too.

Mr. LINDSAY: One member interjected that we had allowed the miners to die without providing for them the compensation to which they were entitled. That is not so.

Mr. Lutey: That is what it amounts to.

Mr. Latham: Nothing of the kind.

Mr. Heron: Dozens have died since the Act was passed.

Mr. LINDSAY: Had the insurance companies been given a fair deal, I believe they would have quoted for the business, but we in this Chamber have found that if anyone dares to oppose the Minister or to hold different views on a question, he gets a bad time. I can quite understand the representatives of the companies feeling as I often do—almost afraid to oppose anything the Minister does or says.

Mr. Teesdale: I would not admit it, anyhow.

Mr. LINDSAY: The Minister went to Melbourne and met the companies' representatives there. When he told us that he met them after he had missed two meals, I can quite understand the state of mind of the Minister and the bad time those gentlemen must have received at his hands. The other night, when the Minister was speaking of State insurance, he led me at least to believe that the companies wanted an increase of 40 per cent. on the previous rates for premiums under the new compensation Act.

The Minister for Works: They say that in this morning's paper.

Mr. LINDSAY: I understood the Minister to say that he was able to fight the companies and get a reduction. But he did not tell us on that occasion what the reduction was. To-night he told us that the premiums would be increased by 25 per cent.

Mr. Lutey: Well, 15 per cent. is a nice saving.

Mr. LINDSAY: The Minister quoted two newspaper reports, copies of both of which I have before me. Here is an extract from one of them—

In conference with the Minister representatives of the insurance companies pointed out that an increase in rates would be necessary adequately to cover the new risks. This increase they estimated (having no experience of the working of the Act to guide them) at 40 per cent. Mr. McCallum dissented, and agreed to an increase of 25 per cent.

The Minister told us to-night that he had saved the people who have to insure workers 15 per cent. on their premiums. That is all very well so far as it goes, but it was decided that the conference should re-assemble at the end of 12 months and decide whether the rate was a fair one. What was the result? The newspaper report states—

The experience of the first year's business under the new Act conclusively proved that the Minister was wrong and the companies' representatives right. The figures are:—total premium £157,169 3s. 11d.; total losses £118,604 14s. 3d. (75.46 per cent. of the total premium revenue).

The report goes on to show that a great number of the policies are still in existence and, during their currency, claims may arise that will have to be paid out of those premiums. In the ordinary course of business they have made an estimate to cover potential losses. The report continues—

This percentage is spoken of as "reserve against unearned premiums" and universal experience has proved it to be reasonably accurate. Allowing, therefore, for unearned premiums, the total expenditure over the first year's business will exceed revenue by nearly 16 per cent. before any administrative costs are allowed.

In other words, without paying any cost of administration, the companies assume they would pay 16 per cent. more than they receive. If that statement is correct it shows that there is no profit in the undertaking.

Hon. W. D. Johnson: How do you arrive at that figure? They made a profit up to then.

Mr. LINDSAY: There is no profit. The actual total payments amounted to £118,604.

Hon. W. D. Johnson: They were all right up to that stage.

Mr. LINDSAY: Yes.

Hon. W. D. Johnson: How did they arrive at a loss of 16 per cent.?

Mr. LINDSAY: At the end of any given period there is always a number of policies in force. These are already paid for, and they have a further period still to run during which claims may arise.

Hon. W. D. Johnson: It is only a question of "may."

Mr. LINDSAY: I have shown that during that time 75 per cent. of the premiums received were paid away in losses. There is still a number of premiums or insurances that have a certain time to run. The insurance companies have been paid for the balance of the 12 months. It is only natural that there should be certain losses in premiums also, and they have made provision for that. I do not say that their methods are correct, but I am prepared to accept them as being so until it is proved to me that they are not correct. This shows that they will actually have paid away 16 per cent. more than they will have received. If the Minister for Works has saved the people of the State 15 per cent. on the cost of the business, it is evident that he has done this at the expense of the companies which have been taking these insurances. When this is all settled there is no doubt the premiums will be raised. The Minister read extracts from the newspapers that suited him. I have read a few more that I think have some bearing on the case. I do not know why the Minister for Lands should bring in matters that he has brought in, for they have no particular bearing on the subject. He said that although this system of insurance may not be right, because something else had been wrong, that wrong made this right. He went on to say that perhaps the course that had been adopted had been adopted without the sanction of Parliament, but it had been taken particularly in order to protect the securities of the Government. That is a different position.

Hon. W. D. Johnson: And this is being done to protect the lives of the miners.

Mr. LINDSAY: I know that is a long suit of members opposite.

Hon. W. D. Johnson: It is their whole suit.

Mr. LINDSAY: It is not fair to ask the companies—

Hon. W. D. Johnson: It is true.

Mr. LINDSAY: —to take over this liability until they know what the liability is. The companies did take over the ordinary workers' compensation liability, and are doing so at a loss.

The Minister for Lands: In the supply of wire netting we did not consider our own securities more than we considered those of other people.

Mr. LINDSAY: I do not think there are many outside securities in that case.

The Minister for Lands: There are very many.

Mr. LINDSAY: The Minister for Lands did a fine thing when he took that action, and I congratulate him upon it. Had we waited until the Commonwealth came along with their scheme, a good many thousands of acres of crops would have disappeared through the rabbits.

Hon. W. D. Johnson: And if we had waited, what would have happened to the miners?

Mr. LINDSAY: He took the action he did in order to save the crops.

The Minister for Lands: I took action because I thought it right to do so. It is the same thing in this case.

Mr. Panton: Members opposite agree with you when it suits them to do so.

Hon. W. D. Johnson: One case has to do with property, and the other with human beings.

Mr. LINDSAY: I can see no analogy between the two.

Hon. W. D. Johnson: I can.

Mr. LINDSAY: We are dealing with workers' compensation. It is not a question whether these men should be insured or not; the insurance companies should have had an opportunity of doing the business.

Hon. W. D. Johnson: And they refused it.

Mr. LINDSAY: They were not supplied with sufficient information.

Mr. Lutey: They refused to take it on.

Mr. LINDSAY: It is said that the insurance companies by notice withdrew some of their business. I have not met any insurance agents during the last six months, and have not heard of this. What information I am in possession of has come through my reading of the Press, and from what I have heard in the House. From what I have gathered, it seems that the companies did make a slip. Sometime ago they decided to withdraw their insurances, but after a few

days they found out their mistake. I can understand their attitude when they have a conference with the Minister for Works. We all know the sort of man he is, how he tries to bludgeon and bully anybody who opposes anything he puts up. I can understand the kind of determined, strong attitude that would be adopted by a man of his ability when he went into the conference room, and how he would appear to those poor individuals who are only business men and not politicians, and who would be afraid, as I am, to stand up and fight him when he begins his bullying.

Mr. Teesdale: This is the second time you have said that. They will soon begin to believe it.

Mr. LINDSAY: The Minister for Works said he had been negotiating with the companies for nearly 15 months.

Mr. Panton: That shows how much of a bully he is.

Mr. LINDSAY: I do not remember that the Minister made any reference to these negotiations at any time during last session. If they had been going on for 15 months he should have informed the House, and prepared it for his action. He should not have taken the action he did without the approval of Parliament. He had an opportunity last session of telling the House what the position was. To the best of my knowledge he failed to do so. He has now taken this high-handed attitude. He has decided what should be done without any reference to Parliament. I am not saying whether State insurance is right or wrong. I am dealing with the question of the right way to treat this House and another place before an important step of this kind is decided upon. We are told that what has been done is illegal, but that this Bill will make it legal. We have read in the Press the opinions of eminent lawyers stating that the action of the Government is illegal. The country has already expended a good deal of money in this direction. The Government have established a new department, and have insured a good many people. I ask myself what will become of those people if Parliament refuses to pass the Bill. If there has been any expenditure, who will meet it? If people have been insured by the State department, have they a legal policy or not? That is the point which concerns me more than anything else.

Hon. W. D. Johnson: What about the miners?

Mr. LINDSAY: The Government were wrong in the action they took. They should never have done this without consulting Parliament. If the matter was of such importance that the Minister had been negotiating for 15 months with the companies, he should have informed the House of what was going on. He should have carried out his word. When he made his second reading speech on the Act of last session he said that no further action would be taken, except that of consulting with the companies, until he first had the approval of Parliament. He has now done all those things he said he would not do.

Mr. Pantou: You have twisted that all right. You are very unsophisticated.

Mr. LINDSAY: The Minister said—

We shall have to ask Parliament to give us power to take further action.

The Minister realised that he had no power to take any action, but he did take action without the approval of Parliament. Now he comes along and says "Pass this Bill and make my action legal!" For that reason I intend to oppose the second reading of the Bill.

HON. G. TAYLOR (Mt. Margaret) [7.55]: I have for many years been in favour of State insurance. As far back as 1904, when I was a member of the Daighish Ministry, I tried to induce the late Mr. Daighish to bring in a Bill for State insurance. I do not know why he would not do so. I suggested the same thing to Mr. Scaddan in 1911 or 1912. I suppose that was crowded out by other legislation. I still hold the views I held then. Not only is there justification but a great need for State insurance. That need is justified by the manner in which the business of the private companies has been carried on from time to time. I do, however, take exception to that portion of the Bill which creates a monopoly for the Government. I do not wish to be misunderstood by members on the Government side of the House, nor by the public. I object to that portion of the Bill which gives a monopoly to the Government and crowds out the private companies. The Government should be quite capable of forming a State insurance office. This should be opened in just the same way as the Commonwealth Government started their bank, and should compete with private institutions. This would constitute a wholesome check upon the private companies, and would

be very beneficial to the people. I do not want to give monopolies of any kind to any one, let alone the Government. A monopoly for individuals or for companies is bad. It cannot be justified, neither can a monopoly for the Government be justified. It would take some argument to convince me that it could be justified. On these grounds I am opposing that particular clause in the Bill. I have no desire to camouflage anything by saying I am going to support the second reading with the object of moving an amendment to the clause to embody private companies. I should first want an assurance from the Premier that he would receive such a suggestion with favour. If he will give that, and make it possible for private companies to operate as they are doing now, without let or hindrance, I will support the second reading of the Bill with just as much honesty of purpose as would be the case with any member on the Government side of the House. I am not accepting the Bill as it is, but do not want to have to vote against the second reading. It would not be fair for me to say I will support the second reading in the hope of securing an amendment in Committee. I know I have no chance of altering the Bill in Committee unless the Premier accedes to my request.

The Premier: You will have a better chance of altering it in Committee than of trying to defeat it on the second reading. You may get half way along the road you want to travel when in Committee.

HON. G. TAYLOR: I do not want to camouflage by saying I will do that. The Premier knows as well as I do how people can camouflage things on the floor of this Chamber when they desire to do so. I am not going to adopt that method. If I receive some assurance that my amendment will be favourably considered, I shall support the second reading.

Mr. Lutey: You know nothing about camouflage! I never saw a better instance of camouflaging.

HON. G. TAYLOR: I have not been here for nearly 26 years without gaining some idea of how things are done in this Chamber and also in another part of the building. I wish to be candid. I am anxious that the Government should embark on insurance in fair and open competition with the companies. The Minister for Works to-day made a long speech in defence of the Government's attitude on the Miners' Phthisis Act in conjunction with this measure. For

a person unacquainted with the Miners' Phthisis Act and the Workers' Compensation Act it is difficult to separate the two measures. What happened in connection with the Miners' Phthisis Act? That Act was passed by the Mitchell Government in 1922. It provided for the payment to the invalid miner of the standard rate of wages current in the district at the time he was removed from the mining industry. The amendment proposed by the present Government was that the invalid miner should receive not less than the rate provided by the Mine Workers' Relief Fund.

Hon. W. D. Johnson: What part of the Bill deals with that question?

Hon. G. TAYLOR: I am replying to arguments advanced by the Minister for Works.

Hon. W. D. Johnson: If he was out of order, there is no reason why you should be.

Hon. G. TAYLOR: When I am out of order I shall not look to the member for Guildford to put me in order. I am not going to accept a ruling from the member for Guildford.

Hon. W. D. Johnson: I am only asking a question.

Hon. G. TAYLOR: Any ruling coming from the hon. member would be utterly unsound. We know what was the intention of the present Government when they brought in their Bill to amend what is called Mr. Seaddan's Act of 1922. There was great anxiety on the goldfields in regard to the present Government's Bill. Public meetings on the subject were held in Kalgoorlie and Boulder, and were reported in the "Worker." Those meetings were attended by the members for Kanowna (Hon. T. Walker), Brown Hill-Ivanhoe (Mr. Lutey), Hannans (Hon. S. W. Munsie), Kalgoorlie (Hon. J. Cunningham), Coolgardie (Mr. Lambert), and Mt. Magnet (Hon. M. F. Troy). The member for Boulder (Hon. P. Collier), according to the "Worker's" report, attended only the second meeting. At those meetings feeling ran high. The meetings opposed the Government's ideas as to giving relief. The members of Parliament present were told exactly what was desired. They were told, "You must do so and so." The members present included the Hon. S. W. Munsie, Honorary Minister, the Hon. J. Cunningham, Honorary Minister, Mr. Lambert, M.L.A., Hon. T. Walker, M.L.A., and the Hon. J. R. Brown, M.L.C.

The Minister for Works: What has this got to do with insurance?

Hon. G. TAYLOR: The Minister for Works dealt with this phase, and was allowed to go on.

The Minister for Works: I did not refer to that phase.

Hon. G. TAYLOR: I am referring to the reasons that caused one of those meetings to draw up a schedule showing what was desired by the miners. The Minister for Works this afternoon went to a great deal of trouble to explain the Miners' Phthisis Act to the House.

The Minister for Works: I did not.

Hon. G. TAYLOR: The Minister devoted a large portion of his speech to that.

Hon. W. D. Johnson: He explained that there was no connection between that Act and this Bill.

Hon. G. TAYLOR: His object was to justify the Government's action.

#### *Point of Order.*

The Premier: I did not propose to try to pull the hon. member up, but as he seems determined to make charges against the Government I rise to a point of order. I wish to point out that the Miners' Phthisis Act has nothing at all to do with the Workers' Compensation Act.

Hon. G. Taylor: I know that.

The Premier: Neither has it anything at all to do with the Bill before the House. The hon. member is dealing with a subject which has no relationship whatever to the Bill we are now discussing, nor has it any relationship to the Workers' Compensation Act except insofar as the Minister for Works this afternoon pointed out what had been done under the Miners' Phthisis Act to clean the mines.

Hon. G. Taylor: Who is making the speech?

Hon. Sir James Mitchell: What about the point of order?

The Premier: I am endeavouring to show that the hon. member is entirely out of order in discussing the Miners' Phthisis Act and the compensation paid under that Act, matters which have nothing whatever to do with either the Workers' Compensation Act or the Bill before the House.

Mr. Speaker: The member for Mt. Margaret is not in order in discussing the Miners' Phthisis Act in connection with the Bill now under consideration of this Cham-

ber. The allusions made by the Minister for Works to the Miners' Phthisis Act were in connection with the sequence of events that led up to the Act. The Minister did not discuss the Miners' Phthisis Act, and therefore the member for Mt. Margaret will not be in order in pursuing his remarks in that respect any further.

*Debate resumed.*

Hon. G. TAYLOR: I bow to your ruling, Sir. I prefaced my remarks by saying I knew that the two measures were separate, and that the Miners' Phthisis Act was not under consideration. I said I was merely replying to statements made by the Minister for Works. My reply, if made, would be of such a nature as to tell severely against hon. members opposite.

The Premier: No such thing.

Mr. SPEAKER: Order! The hon. member is now disobeying the ruling of the Chair.

The Premier: The member for Mt. Margaret will have another opportunity on the Estimates.

Hon. G. TAYLOR: The Premier is trying to make me disregard Mr. Speaker's ruling, but he has no possible chance of doing that.

Hon. W. D. Johnson: Oh, get on with the debate.

Hon. G. TAYLOR: I would not accept the ruling of the member for Guildford, and therefore he is annoyed.

Mr. SPEAKER: Order!

Hon. G. TAYLOR: My desire was to show that it was the process of cleaning up the miners' phthisis cases before the Government started to deal with workers' compensation which caused this Bill to be brought down. However, as I cannot go any further on that matter, I will make myself clear regarding the Bill. I shall support the second reading provided I get some assurance from the Government that—

The Premier: I will see how far we can meet you.

Hon. G. TAYLOR: I will support the Bill as far as I can.

Hon. W. D. Johnson: Why camouflage?

MR. LATHAM (York) [8.11]: I am rather surprised that some members opposite other than Ministers do not rise to put up a case for the Bill. The only speeches that have come from the other side of the

House have been delivered by way of interjection.

The Premier: Not much would have been lost to the argument if you had remained silent.

Mr. LATHAM: The Premier will be able to judge of that when I sit down. For me the issue is not one of State insurance, but of the methods which the Government have used to bring State insurance into existence. Another issue relates to the monopoly created by the means used in starting State insurance.

Hon. Sir James Mitchell: State insurance cannot be necessary to help the miners.

Mr. LATHAM: Of course not. The object is to give effect to the socialisation plank of the Labour Party's platform. If I wanted to socialise industry, I would start on a much more remunerative branch than this, on a branch returning a much larger percentage of profit. I judge from returns supplied to this House.

The Premier: I will take a note of what you say.

Mr. LATHAM: If the Premier is left long enough on the Treasury bench, no doubt the establishment of State insurance will be followed by many other actions of the same kind. Then we shall have the Government asking Parliament for endorsement of the creation of other State enterprises. Two years ago the Governor's Speech, which is the voice of the Government of the day, mentioned a proposal to establish State insurance; but nothing was done. Parliament was not asked to authorise the creation of a State insurance office. Despite the fact that negotiations have been proceeding with the insurance companies for 18 months—we have this upon the word of the Minister for Works—it was impossible for the Government to wait for two months more and ask Parliament for authority to embark on State insurance. If they had come to this House and asked for that authority then, we would not have been able to put up the amount of opposition that we are able to advance now.

The Minister for Lands: I have been waiting for some opposition. I have not heard any yet.

Mr. LATHAM: It would be difficult to satisfy the Minister for Lands. Some time in June, I believe, the State insurance office was brought into existence. Parliament can be called together at any time, even during June or July; and if the question of State

insurance was urgent, I do not understand why the Government did not summon Parliament earlier.

Mr. Heron: You do not understand because you have never been a Minister.

Mr. LATHAM: It was, in fact, proposed to call Parliament together early in the year, but not for this purpose. The object was to legalise an agreement entered into with the Commonwealth Government. That, no doubt, was a matter of urgency; but I venture to say that the question of the establishment of a State insurance office was also a matter of urgency, seeing that the method adopted by the Government broke the laws of the State. The State Trading Concerns Act prohibits the Government from entering into any further trading concerns except with the sanction of both Houses of Parliament. The course adopted by Ministers was to rush into State insurance two months prior to the meeting of Parliament, and then to ask Parliament for endorsement and legalisation of their action. Surely Parliament is entitled to be shown more consideration than that. Now they ask us to allow them to create a monopoly.

Hon. G. Taylor: That is the objectionable part.

Mr. LATHAM: The Government have gone in for various State enterprises, but I have not yet ascertained where there has been a reduction in prices because of those concerns.

The Minister for Lands: You have not looked very far.

Mr. LATHAM: Take the Sawmills for instance. That concern is as bad as the Underwriters' Association. Heads were put together with the result that there is no difference in timber prices whatever. For the Government to come to Parliament with a request that we shall endorse something that has been entered into illegally, and on top of that to create a monopoly for the Government, is altogether out of reason. On those two points alone we have every right to vote against the Bill. Those objections would not have existed had Parliament been first asked for authority before the State Insurance Department was established. I believe that the Premier could have persuaded the House to grant him the necessary authority. He made no such attempt but preferred to establish the department and then to ask Parliament to endorse his illegal action.

Mr. Withers: Is that your only objection?

Mr. LATHAM: It is an objection.

The Minister for Lands: I have to introduce a Bill asking you to endorse an illegal action.

Mr. LATHAM: I hope that refers to fire insurance.

The Minister for Lands: It refers to wire netting insurance.

Mr. LATHAM: I do not know why we have not had a wholesale insurance Bill. We shall have to legalise the work of the Minister for Industries.

The Minister for Lands: That has been legalised already.

Mr. LATHAM: I am not too sure of that.

The Minister for Lands: Well, I am.

Mr. LATHAM: At any rate I suggest that if the Minister does not place the insurance business with Lloyds, it will be placed with the Queensland State Insurance Department.

The Minister for Lands: It is not customary to give the name of the company that underwrites your business.

Mr. LATHAM: Perhaps so, but probably I have struck the right note.

The Minister for Lands: You are like many others; you think you know a lot.

Mr. LATHAM: I am not too sure, but there will be a time when we will find out.

Mr. Panton: In the dim and distant future.

Hon. Sir James Mitchell: Not so very distant.

Mr. LATHAM: Why not take the House into the confidence of the Government? I cannot see any advantage in establishing the State Insurance Department.

Hon. Sir James Mitchell: At any rate it should be done decently.

Mr. LATHAM: There is not likely to be any reduction in premiums, but, on the other hand, it is possible that the revenue of the State will be adversely affected because of the decreased amounts that will be received from dividend duties and income taxes.

Mr. Panton: How do you make that out?

Mr. Teesdale: Don't take any notice of them! Let them talk to their collar buttons!

Mr. LATHAM: The Government say they have to provide for the insurance of miners. According to a return furnished in the Legislative Council the number of silicotic miners affected so far is 560. We have always admitted that something must be done for these people. The mistake was



made years ago when the mining industry was not forced to carry the responsibility regarding miners disabled by the industry. For the Government to ask the employers of the State in these days to carry the whole burden of insurance regarding the affected miners, is not right. What ought to be done is to clean up the mines first and take out the men suffering from these diseases. They should be placed in occupations that will enable them to earn a living under healthy conditions. The whole of the people, not the employers alone, should provide for such of the affected miners as could not undertake even that work.

The Minister for Lands: How do you consider the employers are being made to do it?

Mr. LATHAM: Because the Government seek to afford the protection from the premiums to be paid under the scheme.

The Minister for Lands: Then you admit they have been paying too much to the companies?

Mr. LATHAM: Nothing of the sort.

Hon. Sir James Mitchell: Ministers regard any charge as too much.

Mr. LATHAM: My own opinion is that the insurance companies were justified in turning down the Government's offer until they had some idea as to the liability they could expect to incur. I do not think if we know to-day what claims are likely to be lodged against the State Insurance Department. By way of interjection I asked the Minister what this business would cost the people, but he could not tell me. We should have some idea of what it will cost. As I have previously indicated, the information we have is that already there are 560 men suffering from miners' complaints and each is likely to lodge a claim amounting to £870, comprising £750 for which the department will be liable under the Workers' Compensation Act for total incapacity, £100 for medical fees and £20 for burial fees.

Hon. Sir James Mitchell: They may not all die, of course.

Mr. LATHAM: But they will have to die sooner or later.

Mr. Panton: What do you regard as total incapacity?

Mr. LATHAM: When a man has reached the stage that he cannot work and earn money to keep himself and his family.

Mr. Panton: And do you say that when a man cannot work any more he will receive £750?

Mr. LATHAM: Yes, if he is totally incapacitated.

Mr. Panton: That is rubbish. You do not know anything about the Workers' Compensation Act.

Mr. LATHAM: If we multiply 560 men by £870, there is a total liability disclosed of £487,000, against which about £40,000 might be collected by way of premiums.

Mr. Panton: You know that is not correct.

Mr. LATHAM: I have not heard that it is not so.

Mr. Panton: It has been mentioned before.

Mr. LATHAM: I do not know that.

Mr. Heron: You are supposed to know.

Mr. LATHAM: I have taken the figures that were made available elsewhere.

Mr. Marshall: The author of those figures is a reputed dud.

Mr. LATHAM: The Minister should have told us what potential claims may be made against the department, which the employers of the State will have to meet. It is obvious that is the position because an amount approximating the claims to be lodged will have to be made up out of the premiums to be paid by the employers. According to the statement of the Minister for Works as recorded in "Hansard" for the 15th October, 1924, he anticipated that from 98 to 99 per cent. of the potential claims would be from miners. Thus, hon. members will see that this becomes a very serious matter. No wonder the various insurance companies could not determine what premiums would be required, because they had no knowledge of what claims might be made. On the other hand, the Government stepped in on the advice of the Government Actuary and set up the department. In all probability the Government Actuary knows very little about insurance business although he may be able to work out the figures.

The Premier: As a matter of fact the whole of his training before he came to Western Australia was in the insurance business. That was his specialty.

Mr. LATHAM: I was not aware of that.

The Premier: He is more than an actuary; he was trained in the insurance business.

Mr. LATHAM: I am prepared to accept the Premier's statement. At the same time I claim it will be hard for him to determine

what claims will be made against the department.

The Premier: There is no man in Australia who is more expert in insurance business than is the Government Actuary.

Mr. LATHAM: At the same time he cannot determine the number of claims likely to be lodged against the State department. We should at least know what this business will cost the people. Instead of being furnished with that information we are asked to give a blank cheque to the Minister to enable him to carry on the State Insurance Department.

Mr. Sleeman: Are you trying to make out another Lake Clifton stunt?

Hon. Sir James Mitchell: If you say that meaningly, you should be ashamed to make such an unmanly, mean, and miserable suggestion.

Mr. LATHAM: Then again we should not have a State department sending out letters to employers practically threatening them that if they did not insure with the Government department, they would lose Government business. That is what the letter I refer to amounted to. Its contents were published in the Press of the 26th June last. Of course if the Government are granted a monopoly there will be no need to send out such letters, because everyone will be compelled to insure with the department. I was struck by the statement made by the Premier that much of the cost of running insurance companies was occasioned by the large number of agents in the country looking for business. Wherever there is competition, the Government embark upon the same course of action. The State Implement Works have travellers throughout the State canvassing for business. With a monopoly, of course, that sort of thing would be ended. I trust that the Government will not be given a monopoly, and if they are not granted one, it will mean that they will have to continue sending agents round the country looking for business.

Mr. Marshall: Don't sit down; you are becoming interesting.

Mr. LATHAM: I do not know that anything would be interesting to the hon. member.

Mr. Teesdale: No; one must have intelligence for a start.

Mr. Marshall: And you lack that qualification.

Mr. LATHAM: The extension of State trading concerns is against our principles

and we will do everything possible to obviate such extensions.

Mr. Sleeman: It is a wonder you did not dispose of the State trading concerns.

Mr. LATHAM: We are opposed to them and in this instance, even if I felt inclined to support State insurance, the method adopted by the Government of forcing this business upon Parliament furnishes one reason for my vote being cast against the Bill. The Government had no right to take such action within two months of the meeting of Parliament and then ask us to legalise their action and to grant the Government a monopoly. The Government have not shown their capacity to conduct any business enterprise better than outside people. As a matter of fact State enterprises are usually carried on at a loss. It would be better to leave such business in the hands of people properly qualified and trained to carry it out. If the Government desire to embark upon State insurance, let them do so without creating a monopoly. Let them enter into competition with other companies. The State department will have to pay no taxation and will be on an advantageous footing. I intend to vote against the second reading of the Bill.

MR. PANTON (Menzies) [8.30]: I am unable to let the last speaker off with the statement he has put forward. Like other members of the Opposition, he has taken a set of figures, irrespective of whether they are right or wrong, and of whether he knows anything about miners' phthisis or other silicotic diseases, and analysed them. He wants the public to believe they are correct. Declaring that there are 506 silicotic miners, he multiplies that figure by £870, and says the result will be the cost to the country.

Mr. Latham: I said it would be possible.

Mr. PANTON: It is not possible. The Minister for Works has already stated that all T.B. cases have been taken out of the mines.

Mr. Latham: These returns were submitted to another place.

Mr. PANTON: The hon. member takes as gospel whatever has been submitted to another place.

Mr. Latham: Submitted by a Minister.

Mr. PANTON: The Minister was correct in saying there were 506 silicotic cases. But the Minister was not asked how many of those silicotic cases were still in the mines. The Minister for Works to-night spent a good deal of time trying to point out to the mem-

ber for York—it was time wasted, owing to the hon. member's denseness—that the Government had already offered jobs in the open air to the silicotic miners, and that many of them had accepted those jobs.

Mr. Latham: They were tubercular cases.

Mr. Heron: They were nothing of the sort.

Mr. PANTON: It shows, as I say, that the hon. member is too dense. The Minister for Works definitely stated that the T.B. cases had been previously taken out of the mines and compensated. They were the men who were spreading the disease.

Hon. G. Taylor: Taken out at the point of the bayonet.

Mr. PANTON: At the point of your granny! Would the hon. member say they were being too highly compensated? He would not be game to say it.

Hon. Sir James Mitchell: You are not game to say what you think about the Bill.

Mr. PANTON: I will tell the Leader of the Opposition if he will listen. He is not so dense as his colleague, the member for York.

Hon. Sir James Mitchell: You are a poor judge.

Mr. PANTON: In all, 506 silicotic cases were found. The Government told those men it would be in the interests of their health if they left the mines. The doctors who examined them definitely stated that although unable to cure those men, they could arrest the disease. Those men were offered work in the open air, and 50 per cent. of them have left the mines and gone on to railway work and other work in the open.

Hon. G. Taylor: Some of the mines closed down, and so they had to go.

Mr. PANTON: Only one mine closed down. But a lot of silicotic cases left the other mines. Practically all the men who have gone away are silicotic cases. Those men, if out of the mines for 12 months from June last, do not come under the Workers' Compensation Act in respect of miners' phthisis. So when the member for York takes 506 silicotic cases, multiplies the figure by £870, and says the result is what it is going to cost the country, he is not reckoning on the 50 per cent. of silicotic cases that have left the mines. Another factor: Under the Workers' Compensation Act, a man is entitled to £750 only when totally incapacitated.

Mr. Latham: He gets in addition £100 for medical fees.

Mr. PANTON: He does not get it; the doctors get it.

Mr. Latham: Well, it is an added cost.

Mr. PANTON: Yes, all right. He is entitled to £750 if totally incapacitated. By interjection I asked the member for York when a man was totally incapacitated by miners' phthisis. He said, "As soon as he has to cease work." Our experience is that from the time a man is compelled to cease work as the result of miners' phthisis, he has a very short time to live. So long as he is still working, he cannot receive anything under the Workers' Compensation Act. When he leaves work he does not get £750; all that he gets is half wages up to £3 10s. weekly, according to the number of children until the amount coming to him is exhausted or until he dies. From what I know of the Australian miner, he would not cease work until absolutely compelled to do so.

Mr. Marshall: He would die on his feet.

Mr. PANTON: He would not cease work until compelled to do so. He would then receive half wages. But in from three to six months' time he would be dead and buried. So very few could hope to get the £750.

Hon. Sir James Mitchell: The family, surely, must get it.

Mr. PANTON: Not £750. They will get compensation under the death schedule, which is £650.

Hon. G. Taylor: Whatever they get they are well entitled to.

Mr. PANTON: And to a lot more. The member for York should reconstruct his figures. Instead of multiplying 506 by £870, he should deduct 50 per cent. from the 506 silicotic miners, representing those who have already left the industry. If he will then reduce by two-thirds the totally incapacitated cases, he will be somewhere near the mark.

Hon. Sir James Mitchell: Let us do our duty by these men at all events. It has to be done.

Mr. PANTON: Of course it has. I am glad to hear the hon. member admit it.

Hon. Sir James Mitchell: I have always admitted it.

Mr. PANTON: If the hon. member has been admitting that all along, I do not know why he has not put the whip over his party and kept them quiet.

Mr. Teesdale: We don't come to heel as you on that side do, nor do we get the whip put over us as you do.

Hon. Sir James Mitchell: At all events, there is no need to have a monopoly.

Mr. PANTON: No member on that side, except the member for York, has opposed the Bill on the score of the proposed monopoly. All who have spoken against it have opposed it for one of two reasons: first, that it is merely to validate an illegal act, and secondly, that they do not believe in State enterprise. They are the only two reasons that have been given. Now the Leader of the Opposition says the Bill is essential in order to give the men a fair deal. There is not a member on that side who, if he speak conscientiously, will not agree that, whatever mistakes have been made in the past, in future the miners have to be cared for.

Hon. G. Taylor: And those with ruined health must be cared for also.

Mr. PANTON: Certainly. If the mines are cleared of T.B., and if the majority of the silicotic cases have left the mines, the future of the miners must still be cared for. Who is going to do it? It is useless for the member for York to say that the employers will pay. Who is paying to-day? Are the employers doing it? No. But every man and woman paying taxes in this State is contributing towards the cost. Practically every servant girl is paying her share.

Mr. Latham: The Bill makes no provision for appropriation from Consolidated Revenue.

Mr. PANTON: No, but there will be plenty of appropriation when the Estimates come down; and the hon. member knows it. I hope members will consider the position they find themselves in. It is of no use camouflaging it. The men who have been taken out of the mines have to be compensated, and the men carrying on the industry in future will have to be cared for. The Bill is to provide for that. The Leader of the Opposition himself must have had that in mind when he introduced the Miners' Phthisis Act. It is useless to say the insurance companies would have done the business. Why did they not do it? We are told it is a losing proposition, this workers' compensation business: that the companies lost money over it. The member for Tood-yay (Mr. Lindsay) said they had lost 16 per cent. Nevertheless, they are kicking up a noise about its being taken from them.

Hon. G. Taylor: It is not very encouraging to the Government, is it?

Mr. PANTON: It cannot be taken as gospel, since the companies are making such a noise about losing the business. I hope that not only will the second reading be carried, but that in the meantime members of the Opposition will see the error of their ways and will assist to get the Bill through Committee without amendment.

Question put and passed.

Bill read a second time.

### *In Committee.*

Mr. Lutey in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Hon Sir JAMES MITCHELL: What does the Premier propose to do about the appointment of a commissioner? Insurance is an important and difficult business to conduct.

The PREMIER: So far nothing has been decided. The man doing the work at present is the Government Actuary, Mr. Bennett.

Hon. G. Taylor: A very capable man.

The PREMIER: I cannot say who will be appointed if the Bill becomes law, but the hon. member may rest assured that the commissioner will be a highly qualified man with the training and experience necessary to conduct the business.

Hon. Sir James Mitchell: I hope it will be so. Some of the appointments made lately have not been very satisfactory.

The PREMIER: No doubt that is often the opinion of the Opposition regarding appointments made by the Government. It could hardly be expected that such appointments would meet with the approval of every member of the House. I believe I can recall one appointment prior to our taking office with which I disagreed.

Hon. Sir James Mitchell: Not one.

The PREMIER: I believe, though, that the appointments made by previous Governments were made with the best of intentions and according to the best judgment. Necessarily, we differ in opinions as to the qualifications and fitness of men for certain posts. I do not think we have gone far astray regarding appointments made to other important offices.

Hon. Sir JAMES MITCHELL: I have not raised much objection to appointments made because it has been too late to do so,

but when we come to the Estimates I shall have something to say.

The Premier: Naturally we would not agree about many appointments.

Hon. Sir JAMES MITCHELL: No, but we strongly disagree about some. If this Bill is passed, I hope the best man will be obtained. I do not think the Committee will pass the Bill in its present form, reckless and all as are members on the Government side. When it comes to making a senior appointment involving considerable expense, the utmost care should be exercised to get the right man, regardless of the colour of his hair or of his politics.

Clause put and passed.

Clause 3—State Government insurance office:

Hon. Sir JAMES MITCHELL: This clause deals with the establishment of workers' compensation insurance business as a State concern. We have heard a good deal about the need for establishing this office. The Premier says it is necessary, since we passed the Workers' Compensation Act, that the miners be covered by insurance. No man can be employed in the State unless he is covered by insurance. We have heard a good deal from the Minister for Works about the negotiations with the companies before the Government decided to bring in this Bill. I assure him that any opposition I have offered to the measure has been offered in the interests of the people and particularly the interests of the workers of the country.

The Minister for Works: A mistaken interest.

Hon. Sir JAMES MITCHELL: The Minister has not shown the slightest interest in the workers of the country. I have a perfect right to show an interest in them, and I have not made a mistake in any interest I have displayed in them, or in any word I have uttered on this question. There are many people who think, as the Minister for Works thinks, that everything should be done by the Government, but a great majority of the people know that we have to be mighty careful in all we do lest we throw people out of work. When we frame legislation, even though it is urgently necessary and we exercise the utmost care, it is not always possible to avoid disturbing people and causing bad results. To-day the people are concerned about their liability under the Workers' Compensation Act because we have provided for compulsory insurance. The

move to establish a State insurance office has resulted in considerable misunderstanding and, I believe, in considerable loss of employment. We should take care that the things we must do are done with as little harm as possible to the people. This clause will empower the Government to undertake this business. Later on I shall deal with the question of the monopoly. It is important that members should consider well before passing the clause. Members on the Government side may think that only good can come of insurance by the Government. We have to take the responsibility for the men on the mines. We cannot escape it; it would be criminal to try to do so. Whether we set up a State insurance office or not, we have to face that responsibility. Although we establish a State office, and take an amount to cover the healthy men who go into the mines but not sufficient to cover the damage already done to hundreds of men, we must realise that loss will eventually fall on the Government. I am glad that so many of the affected miners are being persuaded to leave the mines in the early stages of their trouble. The fact of the men being covered by insurance is no reason why they should remain in the mines. I wish to see their lives prolonged and protected as far as possible. I regret that the Premier found it necessary to submit this Bill, and I shall be still more sorry if he persists in the Government having a monopoly of the business.

Mr. SAMPSON: The care of the sick is an obligation of the State, but I regret that the Government have introduced a measure to establish State insurance. This is a belated work when we realise that not only workers' compensation but other insurance is already being carried out by the State. The record of the State in State enterprise has generally been one of failure. While it might be possible to show a profit, the undermining of the right of private enterprise to carry on necessary activities is detrimental to the State. If we consider the State Brickworks—

The CHAIRMAN: We are dealing with State insurance only.

Mr. SAMPSON: It is inconceivable that in a comparatively small place like Western Australia there should be any need for the State to undertake insurance, especially as many of the leading companies of the world already have branches here. I honestly believe that the State insurance office will end, if not in disaster, in serious loss.

Mr. E. B. JOHNSTON: Many insurance companies are operating here, each of whom have paid a deposit of £5,000 into the Treasury.

The Minister for Lands: On which they are receiving interest.

Mr. E. B. JOHNSTON: They are also paying rates and taxes, and the Government intend to start a State office that will not pay any rates or taxes at all. Yet that office will compete with the established companies. I oppose the clause.

The PREMIER: I have no desire to traverse the ground covered on the second reading debate, but I do regret that the Government have been forced to do this insurance business. It is a fact that this Bill would not be here but for that position.

Mr. Sampson: You are saying that with all sincerity?

The PREMIER: Yes. I am getting pretty tired of hearing statements which do not represent the facts. What is the use of the hon. member reminding us that there are 65 insurance companies in the State, and that it is regrettable the Government should have introduced this Bill. The Bill is here because the Government have not been able to effect insurances with any of these companies. Had the companies been willing to do the business, it would have been there to be done.

Mr. Davy: The Government never intended to effect insurance themselves.

The PREMIER: That was a slip. The insurance companies would not do the business.

Hon. Sir James Mitchell: That gives us an opportunity of amending the Bill, and still leaving you to do what you wish to do.

The PREMIER: It has been said that all this accumulated sickness amongst the miners should be a burden on the State. The State is taking on the business under this Bill.

Hon. G. Taylor: We object to your doing that illegally.

The PREMIER: Any excuse is good enough. How closely some people stick to the law when it suits them! Every Government has found it necessary at times, in the interests of the people, to take some action which the law does not permit it to take, and to ask for ratification afterwards. In this case the ends have justified the means.

Mr. Sampson: The member for York admitted it would have been impossible to call Parliament together.

The PREMIER: If I cared to reply to the member for York I could say that the industry with which he is associated represents the greatest experiment in the socialism of industry I have ever known. We have been carrying on State farming in Western Australia for the past 15 years. Under the Workers' Compensation Act insurance is compulsory.

Hon. Sir James Mitchell: That led up to this Bill?

The PREMIER: Yes. We have exhausted every possibility of doing that, and this is the only way by which the employers can comply with the Act.

Mr. Sampson: Did not the insurance companies offer to do the work without profit for 12 months?

The Minister for Works: No.

The PREMIER: They wanted to be guaranteed against losses. If the State is to bear the losses, why should it not conduct the business, rather than do the business through some agency. If the Government had guaranteed the companies against losses, we would have been ever more severely criticised for placing the resources of the State at the back of the insurance companies. This would have meant not only paying for any losses, but a small allowance to the companies for doing the business.

Hon. Sir James Mitchell: No one could criticise the Government for committing any reasonable breach of the law.

The PREMIER: The men who were concerned had to stand out of the benefits of workers' compensation for 18 months, because of the delay in the making of the examinations. When these were completed and the Government were in a position to proclaim the third schedule of the Workers' Compensation Act, it was our duty to do so. We had no alternative, and I believe Parliament will endorse our action.

Hon. G. TAYLOR: The miners would only have had to wait another two months before Parliament was called together. We do not object to the urgency with regard to the operations of the Government, but we do object to the Government, with their eyes open, doing something illegal to enforce a policy before testing it before Parliament or the people. I opposed another Labour Government because it started a policy in connection with shipping, and illegally spent money. The Government are in order in spending any money out

of the trust account that is connected with a business they already have authority to conduct, but no Government is justified in starting an industry and spending money upon it without the approval of Parliament. That is the only safeguard the people have against unwise expenditure.

The Premier: Not one penny has been expended upon this.

Hon. G. TAYLOR: Then why the rush to expend it? Why open a State insurance office?

The Minister for Works: The Commonwealth Bank have not yet called upon the people of Western Australia for one penny towards that institution.

Hon. G. TAYLOR: Why the rush?

The Minister for Works: Because the miners are now getting the benefit.

The Premier: The men you profess to be so keen about.

Hon. G. TAYLOR: What advantage do they get?

The Premier: It has not cost the State one penny, but the men have had the advantage of the scheme for the last three months.

Mr. Davy: How many claims have been paid to the miners?

The Premier: Whatever claims have been paid there still remains a considerable surplus over and above that. The scheme has not cost the State one penny. You are trying to camouflage your attitude.

Mr. ANGELO: I am pleased to hear the Premier say he regrets the necessity for bringing down this Bill. That may provide an opportunity for reviewing the whole situation. The member for Menzies says that nearly all the afflicted miners have been taken out of the mines. That puts a different complexion upon the business.

The Minister for Works: I told the companies that from the very commencement.

Mr. ANGELO: Would it not be as well that another conference should be held immediately between the Government and the insurance companies to see whether, under the altered conditions, the companies could not undertake the business?

The Minister for Lands: There will be no conference so far as I am concerned. They have had their opportunity during the last 15 months.

Mr. ANGELO: They do not seem to have been given the proper information. If the Premier is genuine in his regret concerning the introduction of this Bill, it is possible

that the whole situation might be reviewed in another conference, such as I have suggested.

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

Ayes	..	..	..	15
Noes	..	..	..	15
A tie				0

# AYES.

Mr. Angwin	Mr. Marshall
Mr. Collier	Mr. McCallum
Mr. Coverley	Mr. Panton
Mr. Cunningham	Mr. Sleeman
Mr. Heron	Mr. A. Wansbrough
Miss Holman	Mr. Withers
Mr. W. D. Johnston	Mr. Wilson
Mr. Lamond	

(Teller.)

# NOES.

Mr. Angelo	Sir James Mitchell
Mr. Brown	Mr. North
Mr. Davy	Mr. Sampson
Mr. Denton	Mr. J. H. Smith
Mr. George	Mr. Taylor
Mr. E. B. Johnston	Mr. C. P. Wansbrough
Mr. Lindsay	Mr. Latham
Mr. Mann	

(Teller.)

# PAIRS.

AYES.	NOES.
Mr. Chesson	Mr. Thomson
Mr. Corboy	Mr. Teesdale
Mr. Kennedy	Mr. Stubbs
Mr. Millington	Mr. Maley
Mr. Troy	Mr. Richardson
Mr. Willcock	Mr. Griffiths

The CHAIRMAN: I give my casting vote with the Ayes.

Clause thus passed.

Hon. G. TAYLOR: On a point of order, Mr. Chairman. It is laid down, and customary, and an unwritten law, in this Parliament as in all other Parliaments that I know of—

The Minister for Lands: Not in this Parliament.

Hon. G. TAYLOR: —that the Chairman or Speaker is to leave things as they are.

The Minister for Lands: They do not do that.

Hon. G. TAYLOR: I always did it.

The Minister for Lands: Did you?

Mr. Marshall: How did you vote on the question of long-service leave?

Hon. G. TAYLOR: As things are, the Chairman of Committees has decided that this clause stands. The rule is that it should have been left for further consideration. The Chairman's vote should have gone with

the Noes. I wish to bring that fact under your notice, Sir, and to enter a protest.

The CHAIRMAN: I have given my decision. The next business is Clause 4.

Clause 4—Insurance Commissioner:

Mr. LINDSAY: Are we not allowed to challenge your ruling in this Chamber, Mr. Chairman?

The CHAIRMAN: I have given my casting vote with the Ayes. The question now before the Committee is Clause 4.

Hon. G. TAYLOR: On a point of order—

The CHAIRMAN: There is no point of order. I am putting a clause. I ask the hon. member to resume his seat.

Hon. G. TAYLOR: Now, now—

The CHAIRMAN: I ask the hon. member to resume his seat. The question before the Committee is that Clause 4 stand as printed.

Hon. G. TAYLOR: Mr. Lutey—

The CHAIRMAN: Is the hon. member speaking on Clause 4?

Hon. G. TAYLOR: Why should you ask me that, Mr. Chairman? I can address you, and if you hear me you will not be pre-judging me.

The CHAIRMAN: I asked you whether you were speaking to Clause 4.

Hon. G. TAYLOR: Would I be standing here if I were not?

The CHAIRMAN: Continue your speech.

Hon. G. TAYLOR: The only chance I have—

The CHAIRMAN: The hon. member must not argue the point.

Hon. G. TAYLOR: I will resume my seat and give you the pleasure of gagging me.

Mr. SAMPSON: This clause refers further to the State Government Insurance Office, and I wish to move that Subclause 1 be struck out. That amendment will give an opportunity of reviewing the attitude adopted in regard to Clause 3. The deletion of the subclause would be tantamount to securing the result which the Opposition desired in connection with the previous clause.

The CHAIRMAN: The amendment suggested would be a contradiction of what has already been decided.

Mr. SAMPSON: If you consider that amendment out of order, Sir, I will move that the whole clause be struck out, thus making the matter clear.

The CHAIRMAN: The hon. member can vote against the clause.

Mr. SAMPSON: Very well, Sir. I will vote against the clause.

Hon. Sir JAMES MITCHELL: Do you rule, Sir, that the hon. member is out of order in moving that Subclause 1 be struck out?

The CHAIRMAN: Yes. That amendment would be contradictory to what has already been decided.

Hon. Sir JAMES MITCHELL: I do not think so, Sir. I move an amendment—

That in Subclause 3 the words "may be appointed for a term not exceeding seven years, and shall be eligible for re-appointment," be struck out.

I do not approve of a limited term for Government officers if it can be avoided, and it certainly can and ought to be avoided in this case. A man appointed to control a business concern of this kind should not be appointed for a fixed term. If satisfactory, why should not he stay with the Government? If unsatisfactory, why should he stay 24 hours? I hope the Premier will accept the amendment. It means that the Governor may appoint the Commissioner.

The PREMIER: I hope the amendment will not be pressed. There are excellent reasons why important appointments should be for a term of years. It is a practice that has obtained generally in the service.

Hon. Sir James Mitchell: No.

The PREMIER: The Public Service Commissioner is appointed for seven years, the Commissioner of Railways for five years, and other important officers for terms of years. That is done for a very good reason, and more particularly in order that it shall not be within the power of the Governor, which means the Government of the day, to terminate such appointments. There might be considerable difficulty in securing the services of the most capable man if he felt that he would be at the mercy of any change that might occur in politics. Such a consideration would militate against our securing the very best man. Usually a man capable of filling such a post as this would be already holding a pretty good position either in this State or elsewhere, and we must offer sufficient inducement to him to give up that position and accept this one. The inducement would be the salary together with reasonable security of tenure.

Hon. Sir James Mitchell: The argument you used in favour of a seven-years term



is against your securing a good man. No young man would come for seven years.

The PREMIER: He would be less likely to accept the position with lesser security of tenure, for instance a tenure which might be terminated at the whim of any Minister or Government.

Hon. G. Taylor: Three years would not be a greater inducement than seven.

The PREMIER: If no term were fixed, the security would be still less. I know it is sometimes argued that certain appointments should be for life. The view is that by appointing for life the State is able to secure the services of the very best man. However, the usual terms of appointment range from five to seven years. The clause had better remain as it stands.

Hon. G. TAYLOR: I hardly agree with the Leader of the Opposition in his contention, because an individual would not accept a position under the present or any other Government unless he had sufficient tenure to place him beyond the whim of any particular Minister. On the other hand such a person would be prepared to accept a position with an outside company without any provision regarding tenure of office. It is necessary to have such a provision, together with a high salary, in order to make the post attractive enough for a capable officer, such as will have to be drawn from some insurance company already doing a large volume of business.

Mr. ANGELO: I am afraid the provision for a tenure of seven years will create discontent in the public service. The Premier mentioned two heads of departments who have been appointed for a number of years, but there are many heads of departments who have not that tenure, such as the Director of Education and the Under Treasurer.

The Premier: They are permanent officers.

Mr. ANGELO: But they could be dismissed at any time!

The Premier: Not unless a charge were proved against them.

Hon. G. Taylor: And that is not an easy thing to do.

Mr. ANGELO: But there are the State trading concerns. The manager of the State Implement Works, for instance, is not appointed for any particular term.

Hon. G. Taylor: He is a permanent head, too.

Mr. ANGELO: Then if other Government officers have tenure of office similar to that proposed, my objection is removed.

Amendment put and negatived.

Clause put and passed.

Clause 5—agreed to.

Clause 6—Procedure; Schedule:

Hon. Sir JAMES MITCHELL: If we agree to the clause, does that mean that we pass the Schedule as well?

The CHAIRMAN: I take it we will deal with the clauses of the Schedule seriatim.

The Premier: I should say so, too.

Mr. Angelo: The Chairman of Committees always put the Schedule in the ordinary way.

The CHAIRMAN: When we come to the Schedule, the question will be that the Schedule be agreed to. If hon. members desire to move amendments to various clauses in the Schedule, they will be able to do so.

Hon. G. Taylor: In other words, the Schedule will be under discussion before being passed.

The CHAIRMAN: Certainly.

The Premier: It can be dealt with in the same way as the clauses of the Bill.

Hon. Sir JAMES MITCHELL: The second paragraph of the clause provides that the provisions of the Schedule may from time to time be amended or added to by the Governor, by Order-in-Council published in the "Gazette."

The Premier: That means, by way of regulations.

Hon. Sir JAMES MITCHELL: No. This provision avoids the necessity for regulations. It is a new idea that, if agreed to, will deprive Parliament of its right to discuss regulations. It means that if the conditions specified in the Schedule are not sufficient for the purpose of the State Insurance Department, those conditions can be extended without the authority of Parliament. That should not be agreed to.

The Premier: I have no objection to the Schedule being altered by way of regulations that will have to be tabled in the ordinary course.

Hon. Sir JAMES MITCHELL: If we strike out this paragraph, the Premier can recommit the clause and make provision for regulations. I move an amendment—

That the words "Such provisions may from time to time be amended or added to by the Governor, by Order-in-Council published in the 'Gazette'" be struck out.

Hon. G. TAYLOR: There is another danger. If we go into recess in December and

the House does not meet until the end of July, regulations can be gazetted in January and have the full force of law for five months.

The Premier: That applies to all regulations.

Hon. G. TAYLOR: The Schedule contains 12 provisions for conducting the business. Surely those should be sufficient to cover all that is necessary.

The Premier: But as the department would go on operating, alterations might be necessary.

Hon. G. TAYLOR: Some hardship may be inflicted, but the same latitude is not extended in other Bills as is proposed here. Of course, if the Schedule is not adequate, it will be necessary to give the Government increased power.

Mr. DAVY: If the Schedule be agreed to, it becomes part of an Act of Parliament and, as it stands, what is proposed is to give the Government power to alter that Act without consulting Parliament. All that would be necessary would be the publication of the alterations in the "Government Gazette." The Schedule contains some important matters. For instance, Clause 5 of the Schedule provides that the Commissioner may refuse to enter into an insurance contract with any person in any case where he is of opinion that there are sufficient grounds for so refusing.

The Premier: I propose to strike that out. It was included accidentally. It was taken from the Queensland Act, which is a general insurance measure. The Bill is not a general insurance measure and the clause is not necessary.

Mr. DAVY: I suggest that it will be necessary to retain it if the Bill becomes law. Then again, the first clause of the Schedule provides that the appointment of the insurance commissioner and his signature or seal shall be judicially noticed. That provision could be wiped out by a mere publication in the "Government Gazette." Clause 11 provides that the commissioner may invest any portion of the funds of the insurance office in bonds, debentures, Treasury bills, or other securities issued by the State Government, and also in any class of investment from time to time approved. For instance, the Government could invest some of the funds in the Queensland "Golden Casket."

The Premier: That would apply to every Bill we pass.

Mr. DAVY: The idea that Parliament should trust to the good sense of a Government always seems to me to be foolish. I would be prepared to trust to the good sense of the Premier in most things, but he may not occupy that position always. I suggest that if this proposal were allowed to stand, we would create a shockingly bad precedent.

The PREMIER: I am not quite sure what the effect of the striking out of these few lines would be. I think in all probability Clause 11 is wide and general enough.

Hon. Sir James Mitchell: It is a bit too wide.

The PREMIER: At any rate, the regulations provided for under Clause 11 will have to be tabled and may be disallowed. I have no desire to take power that would mean that the Government could alter any clause of the Schedule without Parliament having an opportunity to consider the matter.

Hon. G. Taylor: But that is the power you ask for.

The PREMIER: It is a question of what the lines dealt with by the amendment really mean. I am prepared to give the Leader of the Opposition my assurance that if the clause is allowed to stand as it is, I will recommit it if I find that the effect of it will be that any Government may alter or amend the Schedule, without giving Parliament an opportunity to discuss the amendments. I do not want to take any such power, for it would not be fair. It would be equivalent to giving a Government power to make laws and Parliament should have an opportunity to sit in judgment on actions of a Government. If this really means that the schedule, or any portion of it, could be struck out, I do not want the power.

Hon. Sir James Mitchell: Well, strike out the paragraph.

The PREMIER: It would be easier to let it stand, and recommit the clause if the fears of members opposite are not groundless.

Hon. Sir James Mitchell: Have you any objection to postponing the clause?

The PREMIER: No. I will agree to that.

Hon. Sir James Mitchell: I will withdraw my amendment.

Amendment, by leave, withdrawn.

On motion by Hon. G. Taylor, the clause postponed.

Clause 7—agreed to.

Clause 8—Policies guaranteed by State:

Hon. Sir JAMES MITCHELL: This clause authorises the Treasurer to make any payments he deems necessary from ordinary funds, to the credit of the insurance fund.

The Premier: If we are to have State insurance at all, that is necessary.

Hon. Sir JAMES MITCHELL: It is necessary in all State trading concerns, for losses have to be covered. But the Premier must get appropriation in some shape or other, whereas here it will not be necessary for Parliament to be informed of what is happening.

The Premier: Oh yes, it will be.

Hon. Sir JAMES MITCHELL: Only in the Public Accounts. It would be included in the amounts under special Acts, which are not given in detail. I confess that funds will have to be provided from time to time to meet outgoings.

The Premier: It is essential, if we are to have the Act at all.

Hon. Sir JAMES MITCHELL: Yes, you must have the right to draw, for claimants will not agree to wait till Parliament meets and votes the funds. But it means a pretty wide power for the Government, and I think it might have been arranged in some other way.

Hon. G. TAYLOR: Will it be necessary for the funds to be appropriated each year in the ordinary way? If we are to appropriate the money each year, there will not be much danger.

The Premier: The whole of the operations will have to come before the House each year.

Clause put and passed.

Clause 9—Amendment of Section 10 of Workers' Compensation Act, 1912-1924:

Mr. DAVY: From the Government's point of view this is the most important clause in the Bill. It is designed to confer on the State insurance office a monopoly in this class of business. We on this side are very much opposed to the establishment of a State insurance office. We do not accept the Government's protestations that they have taken this on reluctantly, that they were driven into this. The evidence does not show any such thing.

The Minister for Lands: Do you suggest that we are telling lies? You might as well say so.

Mr. DAVY: I would not dream of using such an expression.

The Minister for Lands: That is what it means.

Mr. DAVY: No, but I think the Government have indulged in a little political exaggeration when they have said they entered into this business with reluctance; particularly when one remembers that the establishment of State insurance was part of their platform when they went before the people 2½ years ago.

The Premier: It would have been done in the regular way, but for the circumstances that have been discussed.

Mr. DAVY: I am not convinced of that at all. At the same time I am not prepared to accept the invitation of the Minister for Lands.

The Minister for Lands: It is only a polite way of saying so.

Mr. DAVY: No, it is not. I regard with the deepest hostility any attempt to establish a State insurance office. It was not necessary, it was not in the best interests of the State, nor was it at all advisable, except perhaps as a temporary expedient pending the placing of the compensation of silicotic miners on a proper basis. Even the Minister for Works, if he were completely honest with himself, would agree that this method of compensating those unfortunate men is a thoroughly unsatisfactory one. However, if this piece of legislation is to become law, it will be less objectionable if a State monopoly be not constituted. I move an amendment—

That after "by," in line four, all words be struck out and the following inserted in lieu:—"adding after the words 'an incorporated insurance office approved by the Minister' the words 'or the State Government insurance office.'"

Mr. E. B. Johnston: Would you leave the premiums to be approved by the Minister?

Mr. DAVY: If it becomes law and the Minister operates the thing honestly, there should be no reason for him to bother about the premiums of the companies, for the State insurance office would fix its own premiums, and there could be no reason why anybody should go to a private company if it were charging more than the State office. So any necessity that otherwise there might be for the Minister to fix the premiums charged by the companies would vanish. I do not think the Government will achieve any more by forming a State monopoly than

by merely forming a State office that will offer to do the business. The Premier has said there is a vast wastage in the insurance business as at present conducted. If so, then the State insurance office should be able to carry on at a profit on considerably lower premiums than are being charged by the companies at present. Even allowing for the natural inefficiency of any State enterprise, if the Premier is right about the existing wastage the State office ought to be able to sell the article at a good deal lower price than obtains to-day. I suggest to the Premier that he accept the amendment. If he did so, I would regard the measure very much less seriously than I do at present; for with the amendment embodied in the Bill the individual insurer would be at liberty to choose which office he went to. The Premier has said hard things about monopolies and about the possibility of the insuring public being placed in the hands of the companies in combination. My experience is that the Government, when in complete control, are just as merciless and unreasonable as any private individual in the same position. Any one who has had experience of the Taxation Department in its worst moods will agree that it can be utterly arrogant, unreasonable, selfish, and inconsiderate of the interests of the people dealing with it. I believe that acts of unreasonableness on the part of that department have been brought under the notice of the Premier. I care not what the calibre of the individuals may be or the function for which they are brought together, if they have an absolute monopoly they invariably become arrogant and inefficient. I have no doubt that the State insurance office, having an absolute monopoly, would be extremely difficult to deal with. Various accusations have been made in the course of the debate against the existing companies. Of course companies have been unreasonable and unjust. There are over 50 of them and at the head of each is an ordinary man. It would be extraordinary if we did not find an unjust, unreasonable or stupid person at the head of one of the companies occasionally.

The Premier: Then the greater the number, the greater the liability to get an unjust, unreasonable or stupid person!

Mr. DAVY: But what a catastrophe if we had only one company with an unreasonable or selfish man at the head of it!

The Premier: He would soon be put out.

Mr. DAVY: Perhaps so. There has been a State insurance department of a kind

operating for some years. Group settlers were made workers within the meaning of the Act, and a number who had been injured in the course of their work have made claims. I have acted for some of them, and on one or two occasions I have found the State department highly unreasonable. I could tell the Premier of one case that the department refused to meet in the way I maintain was the legal way.

The Minister for Works: I know one group settler who is getting more under the Act than he received when he was working.

Mr. DAVY: That may be so; there are the lucky and the unlucky ones. I frequently act for workers making claims and for companies resisting or meeting claims, and my experience is that some claims are made fairly and some unfairly, some are met fairly and some unfairly. To suggest that the State department will ensure fairness to the workers is a mistake. The Premier should consider the amendment carefully before turning it down, because it will still enable him to realise all that he said in favour of a State insurance office, while it will remove many very serious objections that a State monopoly would undoubtedly create.

Mr. E. B. JOHNSTON: I support the amendment and hope the Premier will accept it. I have always found that claims were fully and reasonably met by the existing companies.

Mr. A. Wansbrough: Then you are a lucky man.

Mr. E. B. JOHNSTON: People who have policies and are content to leave them with the companies with whom they have been doing business for years should be permitted to do so. That is all the amendment asks. If the Premier accepts it, the people who wish to go to the State office with employers' liability proposals will do so, while those who prefer to leave their business with the existing companies will have the right to do so. The private companies send an adjuster out to settle claims as quickly as possible for the sake of the advertisement it gives them. There is keen competition between the companies for business even though the rates in each class are similar. One way to get business is by settling claims promptly and generously. If a man changes his policy from one office to another, fresh stamp duty is required, whereas only half the stamp duty is payable to renew a policy. That is only a small benefit as compared

with the advantage of being able to leave policies with the offices with which one has been doing business. When a man has a number of policies with a company he makes a general arrangement to have the policies renewed as they fall due. That is a great advantage. If the amendment is not accepted I doubt, from my experience of Government departments, whether it would be possible to make a similar arrangement with the State insurance office. Under the amendment the Premier will get all he desires in the way of establishing a State insurance office. The only difference will be that people who prefer—as I believe a majority will—to leave their policies with the existing companies will be able to do so. If the State office is able to offer lower rates or more efficient service, no doubt it will get the business, but let us have open competition and a fair field, and permit those who believe better service can be obtained from the existing companies to leave their policies there.

Mr. SAMPSON: I support the amendment. If it is not accepted, the Bill will become an immoral measure.

The Premier: What do you mean by that?

Mr. SAMPSON: It will become a wicked and unconscionable measure. Companies who have built up a business will have it taken from them because it will be illegal for them to continue. If they are permitted to continue in business, they will stand in the same relation to the Government office as do the State Sawmills to the other saw-milling concerns. The measure, as printed, amounts to confiscation of the companies' business and will do a grave injustice to many people. Reference has been made to the co-operative work of the Chamber of Manufacturers' Insurance Co. Manufacturers have established an insurance office which gives to all members the right to insure at cost. Any profit is returned to them in accordance with the business done. It would be unfair to prevent them from conducting that business. Most people are opposed to the intrusion by the Government into the realms of private enterprise.

The Premier: I would not mind making this an issue at the next election.

Mr. SAMPSON: The Government contemplate depriving a number of citizens of a right they have always enjoyed. My experience is that insurance companies have been fair to generous in their settlement of claims. Much of the objection to the

measure will be rectified if the private companies are enabled to carry on as at present. The establishment of a State insurance office would be subversive to the principles of freedom and justice which are the right of every citizen of the State.

Mr. LATHAM: If this clause is passed what will be the position of existing policies? Will the Premier allow existing policies to run their term when the Bill becomes law?

The PREMIER: Yes. They will run their term and new insurances will be effected with the Government office. Few people who have had experience of insurance companies will not say that treatment at the hands of the Government is better than it is at the hands of these companies. Group settlers have been paid compensation to which they were not legally entitled, but to which they were only morally entitled.

Mr. Davy: Every company has done the same thing.

The PREMIER: During the debate members have contended that this was an unprofitable business for the companies. Why this anxiety to secure a business that is not profitable? I am sure the member for Pingelly will vote for the clause. He declared that the only class of business the State should enter into is that which does not pay. He will support the idea of unloading this unprofitable business upon the public and relieving the companies of what they may consider to be their moral obligation. Still, there is keen anxiety on their part to retain this unprofitable business. I have never before known private enterprise to put up such a hard fight to retain unprofitable business. Apart from anything that has been said in this Chamber, the companies have made strenuous efforts. I presume that members who have stated the workers' compensation business to be unprofitable to the companies have made that assertion on the basis of information received. As I pointed out in moving the second reading, the State has been carrying on insurance in many directions for years. It has long borne its own fire risk. I have given figures, which have not been controverted, showing that in other directions the State, starting without any money, has given lower rates than those of private companies and, besides, has accumulated reserve funds.

Mr. Teesdale: A Government institution avoids the high rents and other expenses which companies have to pay.

The PREMIER: That is the very reason why the Government should cut out waste by giving the people service at the lowest possible rate. In this matter Parliament should be concerned only for the people who insure. If the State can quote lower rates than the companies, all the business will automatically come to the State. It is because of the waste through duplication and competition that the rates of the companies are so high. Workers' compensation relates to loss of life or injury received, and that class of business especially should not be subject to profit making. If the State did all the business, the benefit would come back to the people in the shape of lower rates.

Hon. Sir James Mitchell: That argument could be used about every kind of business.

The PREMIER: In this particular business it applies. Some monopolies are beneficial, while some are harmful. It all depends. Private monopolies uncontrolled by Parliament exploit the people, and therefore are harmful; but there are monopolies not seeking profit which are beneficial to the people because waste is eliminated. In many countries monopolies have rendered great service, reducing costs enormously by abolishing unnecessary expense. The member for West Perth argues that monopoly necessarily tends to inefficiency or unsatisfactory service, but that is not so.

Mr. Davy: I cannot think of one instance to the contrary.

The PREMIER: I can think of numbers.

Mr. Davy: What you lose on the swing you gain on the roundabout.

The PREMIER: The hon. member, who is young in politics, has what may be termed a slavish admiration for private enterprise. Private enterprise is all right in its place, and has rendered services; but the view that in all circumstances and conditions private enterprise must be a better policy than State enterprise is wrong. In some cases one would be better; in other cases the other.

Hon. Sir James Mitchell: There is no monopoly in Queensland.

The PREMIER: There is as regards workers' compensation insurance, though not as regards general insurance, in which the Queensland Government compete with the companies. I could show that the State monopoly in Queensland has benefited the people enormously. Charges have been reduced materially; increased payments have been granted, and the position has been

greatly improved all round. No impartial observer of whom I have knowledge, who has ever investigated the result of State insurance in Queensland—I speak of many people who do not belong to the Labour Party, and do not believe in State enterprise as a principle—has reported that the Government insurance scheme has not been beneficial. I know of no country that has adopted State insurance that has gone back on it, even in countries that have not known Labour Governments. For 26 years it has been carried on in New Zealand, although, it is true, without a monopoly. In America, the home of private enterprise, many of the States have a monopoly of it, although in some, State insurance is carried on in competition with private companies, while in others no Government insurance schemes operate. A public service would be rendered to the State if the Government retained the sole right to this business. The member for York has been active in opposition to the Bill all through, but he was member of a select committee that recommended the Government to undertake insurance work.

Mr. Latham: I do not think I signed the report.

The PREMIER: I think you did. I think the report was unanimously in favour of the Industries Assistance Board ceasing to effect insurances with private companies and doing its own insurance work. That is a form of Government insurance. That report was also signed by the then member for Fremantle (Mr. Gibson) and the member for Gascoyne, who now says he objects to this rotten business of State insurance. Yet he recommended that the Government should embark upon this rotten business.

Mr. Angelo: No, that the Government should do its own business.

The PREMIER: Whereas formerly the member for Gascoyne said the business should not be done by the private companies, he now suggests they should do the work.

Mr. Angelo: This is different.

The PREMIER: What is the difference?

Mr. Angelo: Did the report suggest a State monopoly?

The PREMIER: That is what it did do. The committee recommended that the Industries Assistance Board should do its own work. That was a monopoly. They did not suggest that the Industries Assistance Board should stand or fall in that business in competition with the insurance companies, but

suggested that the private companies should be debarred from doing the work.

Mr. Latham: That is not so.

The PREMIER: That was the effect of the recommendation.

The Minister for Lands: Yes, that was the meaning of the recommendation.

The PREMIER: I interpret that as recommending a monopoly, so that the companies would have no chance of getting the business.

Mr. Angelo: I am in favour of the civil servants having their own provident fund, but that is not a monopoly.

Mr. Davy: What the committee suggested was not to engage in the insurance business out to cover their own risks.

The PREMIER: And that is a monopoly. No company was to undertake the work; it was to be left to the Industries Assistance Board.

Mr. Davy: Yes, to take their own risks.

The PREMIER: And take that work from the private companies. When the select committee made that recommendation they must have come to the conclusion that the Government could render a better service at less cost than that of the insurance companies. That could be the only object of such a recommendation, and that supports my contention that the Government render cheaper service than the private companies.

Hon. Sir James Mitchell: Not necessarily.

The PREMIER: If the report of the select committee had been adopted, it would have meant since 1915 a saving of about £140,000 to the farmers throughout the State.

Mr. Sampson: It is a dangerous thing for the Government to take away one's business.

The Minister for Lands: Yes, we have a printing establishment.

The PREMIER: Why have any Government institutions at all? All work of various descriptions is done by the Government that can also be done by private enterprise. There are in the city and in the country private establishments that could carry out all the services now being performed by the Government. If there is one business the State could enter into with less risk of loss than in any other, it is insurance. It is not like embarking on the business of shipping or of implement making or of brick making, where we are subject to all the fluctuations in prices; insurance business, after all, is merely a matter of actuarial calculation and it carries less risk than, possibly, any other

business upon which the State could embark. The premiums can be fixed at an amount that will cover the risk. State insurance wherever tried has shown a substantial margin for reserve, and that at a considerably lower cost than that at which the insurance companies have been able to do it. I hope members will allow the clause to stand, for it is essential if we are going to give the cheapest possible service to the people of the State.

Mr. DAVY: I will withdraw my amendment.

Amendment by leave withdrawn.

Hon. G. TAYLOR: I move an amendment—

That all words after "by," in line four, be struck out and the following inserted in lieu:—"deleting the words 'approved by the Minister' and adding after the word 'office' the words 'or the State Government insurance office.'"

That will leave the business free for competition in the ordinary way.

Progress reported.

*House adjourned at 10.46 p.m.*

## Legislative Assembly.

*Tuesday, 28th September, 1926.*

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