

Hon. W. H. Kitson: Had not the farmers already been paid for the wheat which you say was lost?

Hon. V. HAMERSLEY: In some instances. I suppose so; in others, not. However, that does not alter the fact of the loss, which someone has to bear. It is a national loss. And there is not only the immediate loss, but there is the danger of the damaged wheat being used overseas and damning the good name of Western Australian wheat.

Hon. J. Nicholson: Was not there something of that sort in connection with bad shipments to South Africa? Am I right in saying that?

Hon. V. HAMERSLEY: There was a shipment of flour manufactured from deteriorated wheat to South Africa. Certainly that shipment has been a thorn in the side of those wanting to trade with South Africa in Western Australian flour. The effect has been to divert much trade from Western Australia. The Government are responsible for not having provided proper accommodation or covering. In all conscience, they are getting enough out of the charges levied, and I hope that in future they will make more adequate provision for the proper covering of the wheat so that these conditions will be obviated. I do not desire to keep hon. members any longer in dealing with this matter. Most of the other points I have to place before them, will be considered when we deal with Bills that have been hinted at. I support the motion.

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

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Received from the Assembly and read a first time.

House adjourned at 5.47 p.m.

Legislative Assembly,

Thursday, 4th June, 1931.

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

QUESTION—FARMERS' INSURANCE.

Mr. SLEEMAN asked the Minister for Lands: 1, What is the total amount of all insurance premiums paid by (a) I.A.B. clients; (b) Agricultural Bank clients? 2, What is the total amount of claims paid to (a) I.A.B. clients; (b) Agricultural Bank clients? 3, Do the Government intend to grant the same relief to farmers on their insurance as it is proposed to grant to employers under the Workers' Compensation Bill?

The MINISTER FOR LANDS replied: 1, (a) £342,719; (b) £12,293. 2, (a) £133,586; (b) £18,972. 3, Farmers will be given the benefit of any concession extended to other employers of labour.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Read a third time and transmitted to the Council.

MOTION—HARBOUR DUES, PORT HEDLAND.

Debate resumed from the 27th May on the following motion by Mr. Lamond (Pilbara):—

That in the opinion of this House the action of the Commissioner of Railways in levying differential harbour dues, by way of rebates, at Port Hedland on wool transported by motor lorries is inimical to the welfare of the pastoral industry, and should not be allowed.

THE MINISTER FOR RAILWAYS
(Hon. J. Scaddan—Maylands) [4.38]:
Strictly on the basis of party considerations,

I should allow the motion to be carried, because it happens to be a rather serious reflection on my predecessor, who was responsible for having agreed, on the recommendation of the Commissioner of Railways, to these particular rebates being granted. But as I agree with the attitude adopted by my predecessor, I shall not take any party advantage from it. I have done exactly as he did, and I think that even the hon. member who submitted the motion would have done likewise. It is not possible to introduce a method of this kind, which necessitates the Commissioner's discriminating between different growers, without causing some little heartburning. It is almost impossible for two persons to agree regarding the actual influence of a railway, particularly one like the Port Hedland-Marble Bar line. The cartage of wool is an entirely different proposition from the cartage of most other commodities. It is recognised that a wool-producing station might cart its wool hundreds of miles, whereas it would not be possible profitably to produce other commodities if they had to be carted a similar distance. In 1928 the Commissioner of Railways recommended that something should be done regarding the haulage of wool on the Port Hedland-Marble Bar railway. There was an insistent demand for a reduction of wool freights, and the Commissioner was prepared to agree to the reduction subject to some compensation being made in other directions. If the woolgrowers took full advantage of the railway facilities provided in their district, the Commissioner was prepared to extract no financial advantage from the increased carriage of wool, but would reduce the freight on wool. I say with regret that my predecessor did not immediately agree to the proposal. On three occasions he asked for information to satisfy himself that the course proposed by the Commissioner was equitable. When he did approve of it, the matter left his hands and came under control of the Commissioner of Railways to be put into operation. The Commissioner in his wisdom or otherwise, I understand, discriminated between certain station owners. I agree that he did the best in the circumstances, and I think that any unbiassed person would agree that he was justified in the attitude he adopted. Whatever may have been wrong with the original proposal or whatever may have arisen out of the original

arrangement, it has now gone by the board, and I believe the whole of the pastoralists in that area have agreed to a new arrangement whereby the railway will be used to a greater extent than previously. They are perfectly satisfied with the terms and conditions submitted. In the circumstances I suggest that the hon. member should not proceed further with his motion. I doubt whether the arrangement will continue to operate interminably without someone finding a reason for disagreeing with it, but at the moment I am assured by the Commissioner of Railways that an agreement has been practically reached, which is satisfactory to the pastoralists, who have given way a little, and satisfactory to the Commissioner of Railways, who also has given way a little.

Hon. P. Collier: Satisfactory to all the pastoralists?

The MINISTER FOR RAILWAYS: Only one pastoralist has not been consulted, but the others say that he will fall into line. In the circumstances, I suggest that the hon. member does not proceed further with his motion, at least at this stage.

MR. ANGELO (Gascoyne) [4.43]: Although the Minister has informed the House that an agreement has been reached, he also said that he did not know how long it would continue. I am inclined to support the member for Pilbara, and express the hope that no discrimination such as was shown previously will be shown in future. The only reason of which I can think why the Minister agreed to such a proposal is that he did not know much about the district. In the North-West there are roads running to the railway over which it is impossible to cart wool.

The Minister for Railways: That is not the fault of the Commissioner of Railways.

Mr. ANGELO: No, but why penalise the people who are carting their wool to the port, instead of carting it to the railway, which would be an almost impossible task?

The Minister for Railways: The district is the same and the roads are the same as they were at the time the people asked for the railway.

Mr. ANGELO: The Minister must not overlook the fact that when pastoralists do cart to the railway, extra handling of the wool is involved which runs into many

shillings per bale. How many tons of wool are being brought from the Murchison by motor truck to Fremantle? Is a special rebate to be granted to the Murchison pastoralists who use the railway? What is sauce for the goose should be sauce for the gander. I am glad that an arrangement has been entered into, as stated by the Minister; but I feel that the thanks of the House are due to the member for Pilbara (Mr. Lamond) for bringing the motion forward. I trust there will be no need for the hon. member to move such a motion in future.

HON. A. McCALLUM (South Fremantle) [4.46]: The Minister did not deal with the point of discrimination otherwise than to say that recently an arrangement had been entered into between the Railway Department and the pastoralists in the Port Hedland district. If the figures quoted by the member for Pilbara (Mr. Lamond) are correct, they point to discrimination in the most marked degree. One station is within four miles of the railway but is not considered to be within the railway zone, while another station is 60 miles from the railway and 54 miles from the siding but yet it is considered to be within the railway zone. Surely there must be substantial reasons for a decision of that description.

The Minister for Railways: All the stations have assented to an agreement, with the exception of one station, with which it has not been possible to get into communication.

Hon. A. McCALLUM: Is the agreement fixed?

The Minister for Railways: Yes.

Hon. A. McCALLUM: And are the stations satisfied with it?

The Minister for Railways: Yes.

Mr. Lamond: What we are concerned about is last year's agreement, and a rebate to the stations that were penalised.

The Minister for Railways: I do not know anything about that.

Hon. A. McCALLUM: The Minister has not dealt with the question of refund.

The Minister for Railways: That was not suggested by the member for Pilbara in moving the motion.

Hon. A. McCALLUM: The reference to disallowing implies refunding. I do not know whether the Minister can view the position now in the light in which it was

viewed two or three years ago, when it was considered by the previous Government. The position of the pastoral industry is entirely different now. That industry has the right to look to the State for some relief. Some years ago wool was the highest freight on the railways, and was looked upon as a commodity that could afford to pay the highest freight. Concessions made to other commodities were balanced by the high freight which the railways charged a commodity that was considered to be at the peak of prosperity. It cannot be said that at the moment the pastoral industry is prosperous.

The Minister for Railways: That consideration does not arise.

Hon. A. McCALLUM: I think it does arise when the Railway Department propose introducing a regulation that will force either extra cartage of fully 50 miles or else a penalty in wharfage. The pastoral industry must now have the cheapest means of bringing its product to market. The Minister might give an undertaking that in the event of the agreement falling through, the House will be given an opportunity of discussing the matter before the differential wharfage rates are reimposed. The figures given by the member for Pilbara certainly indicated that there was marked discrimination, and it would be interesting to know the reasons for that discrimination. The hon. member had good reasons for bringing the matter forward, though the ground has been cut from under his feet by the agreement which has been reached. An undertaking that the old terms will not be reimposed without the sanction of the House will be satisfactory.

MR. MARSHALL (Murchison) [4.53]: The regulations in question have been framed by officers and sanctioned by Ministers who do not quite understand the position in the North-West.

The Minister for Railways: Who runs the railways?

MR. MARSHALL: I do not know that the Commissioner of Railways visits the North-West frequently, though it is through his sanction that the regulations become effective. I doubt whether the local railway officers pay any regard to the disabilities suffered by the squatters.

The Minister for Railways: Are there any squatters up there? If so, they ought to know their own business.

Mr. MARSHALL: I venture to suggest that the squatters never assented to an agreement which would result in anomalies of the character described. A station through which the railway actually passes was declared to be outside the railway zone, while a station 50 miles from the railway was declared to be within the zone. In fact, Dr. Gillespie's "Hillside" station is 60 miles from Marble Bar and 170 miles from Port Hedland, and yet it falls within the zone. The station through which the railway passes, and which is only 18 miles from Port Hedland, is declared to be outside the zone. Such anomalies are bad enough, and it would be interesting to learn what caused the Commissioner of Railways to arrive at such a decision. I have an idea that the reason is to drive on to the railways all the custom which they expect. No doubt the application of such a regulation to the South-West and the wheat belt has largely influenced the Commissioner's attitude towards the North. But conditions are entirely different in the two portions of the State. Recently we were assisting the Minister to obtain for the railways and tramways all the traffic they deserve. We are prepared to do that for the Commissioner of Railways at Port Hedland. In connection with the South-West and the wheat belt, the principal argument advanced was that the taxpayers had incurred heavy expense in putting down good roads, which encouraged transport in opposition to the railways.

The Minister for Railways: There is nothing in the motion about road competition.

Mr. MARSHALL: The regulations complained of and the motion of the member for Pilbara are based on the matter of road competition.

The Minister for Railways: The motion is based on differential wharfage rates.

Mr. MARSHALL: But where does the differentiation originate? From road transport. If I were squatting in the Port Hedland district and took my wool to Port Hedland by motor truck, I would have to pay 4s. per bale wharfage, whereas if my wool were conveyed by railway I would get a rebate of 1s. 6d. per bale. Yet the Minister argues that the question has nothing to do with motor transport. The whole dispute has arisen from motor transport. In the Port Hedland district the only roads which the taxpayers were called upon to make run north and south, and lend no assistance whatever to motor transport to the sea ports.

In the South-West and on the wheat belt, however, the reverse position applies. There money was expended in constructing roads parallel to the railways; hence the possibility of successful motor competition. All the station owners affected in the North, even those who get the rebates, make their own roads as ratepayers.

The Minister for Railways: That was the position when they demanded the construction of a railway, and had it built. Now we are carrying a loss of over £13,000 on the line.

Mr. MARSHALL: It is all very well for the Minister to single out the Port Hedland-Marble Bar railway or the Ravensthorpe railway and refer to the losses made on the working of the lines. Was there not a loss in connection with the operations on other lines? There is another point with which members are not conversant. Simply because the Port Hedland-Marble Bar railway is not linked up with the main railway system of the State, it is singled out for special treatment. The Commissioner of Railways deals with the losses of revenue, and increases the rates that apply on the Port Hedland-Marble Bar line. The rates applicable to the lines running through the southern parts of the State are lower than those charged on the Port Hedland line. The argument in support of that differentiation is that it costs so much more to run a separate railway in the North. If that policy were carried to its logical conclusion, the Commissioner, when he takes over the line between Meekatharra and Wiluna, will have to charge heavier freights over that section than he does elsewhere. The Commissioner has actually increased the freights.

The Minister for Railways: He has made a reduction in freight charges.

Mr. MARSHALL: He imposed a decreased charge on wool, but that applied to the main railway system. That was done by the Minister since he has been in office this time. Because a similar concession was granted to the squatters who used the Port Hedland line, there should be no outcry: that reduction is merely in conformity with that which applies to the main system. The member for Pilbara (Mr. Lamond) made a good point when he referred to the position of the three stations that have to pay the rates prescribed in the North, whereas one that is nearer to the line secures a rebate. Pippingarra is 18 miles only from Port Hedland, and the station owner there is re-

quired to pay additional freight from the wool shed to the siding, a distance of four miles only. Shaw River station is 54 miles from Port Hedland and the squatter there had to make his own road to the siding. The owner of Pippingarra pays on 18 miles, whereas the owner of Shaw River, which is 16 miles from the siding, has to pay on 54 miles over the railway, while the owner of Hillside station is 60 miles out and has to pay for a distance of 114 miles over the railway. Wallareena is 38 miles from the port and 26 miles from the siding. It will be seen that from the standpoint of freight costs, Pippingarra is in the best position and yet it is excluded from the necessity to pay the freights, although the railway line runs through the property.

The Minister for Railways: Pippingarra is actually at the port.

Mr. MARSHALL: Eighteen miles away, and yet actually at the port! If the Minister were dragged from Pippingarra to the port, he would be a miserable sight on arrival.

The Minister for Railways: Then we would be on a par!

Mr. MARSHALL: It is not equitable, and the Minister cannot justify it. The mere fact that one station is only 18 miles away does not affect the principle. If the Minister were owner of Hillside and had to pay for the transport of his wool for a distance of 60 miles by road and 114 miles by railway, he would resent the owner of a station 18 miles from the port getting off scot free.

The Minister for Railways: From Wallareena, the teams travel for the whole distance along the railway line and yet do not use it.

Mr. MARSHALL: Why does not the owner of Pippingarra have to pay like the other station owners? His teams have to run alongside the railway too.

The Minister for Railways: To all intents and purposes, Pippingarra is at the seaport. That is the difference.

Mr. MARSHALL: Is that the Minister's excuse?

The Minister for Railways: I make no excuse at all. I have already told you there has been a re-arrangement under a new agreement. If you have any cause of complaint, it is against the previous Minister for Railways, and not against me. You were silent then.

Mr. MARSHALL: Even if the Minister's predecessor in office did allow these anomalies to creep in, the fact remains that the present Minister has been in office for over 12 months, and is an accessory after the fact. He has condoned the existing position, so he must take some of the responsibility. If it is wrong—

The Minister for Railways: I have not admitted that it is wrong, because the conditions have been altered.

Mr. MARSHALL: I differ from the Minister. A man who is 18 miles away should pay just as the man who is 174 miles away has to pay.

The Minister for Railways: I did not say anything to the contrary.

Mr. MARSHALL: That was the inference to be drawn from the Minister's interjections.

The Minister for Railways: Nothing of the sort.

Mr. MARSHALL: The people in the North have to pay rates and shoulder heavy responsibilities. They have had to do much work for themselves and they should not be penalised. If there is any possibility of getting trade back to the Port Hedland-Marble Bar railway, I am sure that the member for Pilbara is just as anxious as anyone else that it should be done, but we should be careful to see that in the effort to secure that trade, an equitable basis is established. That has not been done under the regulations. The Minister says a new agreement has been made, and he might have read it while he was speaking. Evidently it must be fairly satisfactory, because I have not been communicated with regarding the matter. I agree with the member for South Fremantle (Hon. A. McCallum) that anomalies may creep in under the new agreement. It is advisable that departmental officers should not think that regulations that may be equitable in the South-West and the wheat belt will apply equally well to conditions obtaining at Port Hedland and elsewhere. Before applying such regulations to the North, officers should be made fully conversant with the provisions. The Minister will admit that an anomaly exists even in the metropolitan area, for wool that is brought down on trucks from the hinterland to Fremantle, does not have to carry an extra charge for freight at the port. That wool goes across the wharf just as if it had been transported by rail.

The position is quite different at Port Hedland. I agree with the desire of the Commissioner to secure additional freight for the railways, but if he advances proposals under which such anomalies can occur, I cannot agree with him. While the regulations may have been framed by the departmental officers with the best of intentions, they should recognise the fact that conditions that will apply to the city or the South-West cannot be applied up North.

The Minister for Railways: I suppose it is useless to tell you that it was not done in that way, and that proper inquiries were made.

Mr. MARSHALL: Even so, the Minister will agree that anomalies have crept in and that greater care should be taken in framing regulations. Surely the Minister does not agree that increased freights should be levied in the North compared with those operating in the South.

The Minister for Railways: There has not been an increase, but a decrease.

Mr. MARSHALL: The charges levied in the North are greater than those charged over the main railway system.

Mr. SPEAKER: Order! That phase is not dealt with in the motion.

Hon. J. C. Willcock: You must remember that the railway was built under those conditions, and that everyone up there agreed to the proposition.

Mr. MARSHALL: That may be so, but the people who were there at that time have long since passed away. The people there now are practically newcomers, and surely they are not to be compelled to carry the obligation accepted by people who resided there two decades ago.

The Minister for Railways: They did not take away the stations when they departed.

Mr. MARSHALL: Of course not, but nevertheless I shall always fight against the policy of charging increased rates at distant parts. The railways should be run as a whole, whether linked up or not. They should be treated on the same basis, irrespective of any difference in running costs. In view of the fact that the matter has been ventilated and the Minister has indicated that a new agreement has been arrived at, I presume the member for Pilbara will withdraw his motion.

The Minister for Railways: If the member for Pilbara quotes a letter of recent date he

received from the secretary to the Commissioner, he may throw some more light on the subject.

Mr. MARSHALL: I support the motion, and hope that there will be no such anomalies under the new agreement.

MR. LAMOND (Pilbara—in reply) [5.15]: The reason why I brought the motion before the Chamber was because the Railway Department have always evaded the questions which were at issue. Moreover, I thought that if I brought the motion before the House the Minister for Railways would give us some reasons why the anomalies I have mentioned, in respect of discriminating between who should and who should not pay the increased wharfage rates, are allowed to exist. But the Minister has not touched those questions at all, and so we are just as far away as ever from getting a satisfactory reply. The position this year does not exactly come into the question at all. I am concerned about last year. Also I am concerned about the fact that the officer of the Railways Department who fixed the railway zone exempted sheep stations that are decidedly served by the railway. For instance, the station I have mentioned, Pippingarra, which is only four miles from the railway siding, is to be exempt, while a station 16 miles from the siding and without decent roads is declared to be within the zone, and so has to pay the increased rates. What can justify the officer's action in imposing increased rates on a station 16 miles from the siding, while exempting a station only four miles from the siding? I do not know that I would be justified in withdrawing the motion, because if the sheep stations affected do not reach agreement with the Commissioner for this season's wool, he will, of course, continue to impose on them the increased wharfage rates. When the member for Murchison was dealing with Wallareena Station, the Minister interjected that that station carts its wool along the railway line. That is not so, except on this side of Pippingarra Station. This Wallareena Station is 26 miles from the railway.

The Minister for Railways: And how far from the port?

Mr. LAMOND: It is 38 miles from the port, and the road runs off at right-angles, whereas the other station is only four miles from the siding. As a matter of fact that station has two sidings on the property, one

12 miles up the line, and the other 20 miles up the line. The Minister has not justified the Commissioner's action at all.

The Minister for Railways: You read that letter which you got on the 12th May.

Mr. LAMOND: I have already done so. It is not satisfactory.

Mr. Marshall: Does the road from Pipingarra to Port Hedland run alongside the railway line?

Mr. LAMOND: Yes, but the other does not. In my concluding remarks when moving the motion I appealed to the Minister to give consideration to this matter. I said I had endeavoured to place it clearly before the House, and that if the Minister would consider the position I was convinced he would come to the conclusion that refunds to the station-owners I have indicated would be justified. Undoubtedly the only right and proper thing to do is to make a refund to those stations, particularly since a refund has been made to one station within four miles of the siding. If those stations which were affected last year are not able to agree to the Commissioner's conditions this year, the increased rates will be again imposed upon them this season. Although the rates were introduced during the regime of the previous Government, the Minister for Railways well knows that I opposed their introduction. I always maintained that the system was wrong. There should not be differentiation between persons engaged in the one industry. As a matter of fact, there is no station in that district up there which does not use the railway if it can economically do so. Does the Minister want to compel a man to carry his wool 16 or 20 miles farther, merely for the purpose of bringing trade to the railway? One station there is situated 60 miles from the head of the railway, which is 114 miles from Port Hedland. It means that if the wool from that station were to be carried by the railway, it would have to be transported 174 miles, whereas if it be sent direct the distance is only 150 miles. I admit I took a prominent part in advocating a reduction in these rates, but it was never intended that we should have a reduction in railway rates at the expense of those who were not served by the railway line. The position was different in 1929. Then, when applications were made by those affected by the higher rate, a refund was made. To-day that

is not so. Applications have been made by those stations to which I have referred, but up to date they have not received any refund. We all desire to see the railways run on equitable lines, and I suggest to the Minister that for the 1930 season a refund ought to be made. The principle is a very bad one. Nobody could justify the action of the Commissioner respecting the refunds he has made to stations right alongside the railway and served by the railway, as against those who are some distance from the line. On the De Grey Station they have a woolshed on the far side of the river. The object of building it was to provide that in the event of a flood at shearing time the sheep could be shorn on the opposite side of the river. But it has been decreed that wool shorn on one side of the river is not subject to this imposition, while the wool from the other side of the river must pay the increased rate. For years before the advent of the railway in the Port Hedland district the De Grey Station carted its wool to Condon and lightered it from there to Port Hedland. That continued for many years after the coming of the railway, until lighters became scarce and motor lorries came into use. At their own expense the De Grey Company constructed the necessary roads. The first road was not successful, and indeed it was not until they had built the third road that they were suited. Neither the local authorities nor the Government contributed one penny towards the making or maintenance of those roads. To-day, because for their own convenience the De Grey Company erect a second woolshed where portion of their sheep are shorn, the Railway Department say wool from one part of their station is exempt from the increased rates, but on the wool from the other part they will have to pay those rates.

The Minister for Railways: How much of the capital cost of the railway did that company find?

Mr. LAMOND: The De Grey Company control other stations, and the whole of their wool is always sent by the railway, not withstanding that they have had very good offer for the transport of their wool by road.

Mr. Angelo: The company pay income tax, do they not?

Mr. LAMOND: Yes, and so help to maintain the railways down south. I am not prepared to withdraw the motion, for I am not satisfied with what the Minister had to tell us.

The Minister for Railways: There is the agreement.

Mr. LAMOND: I am not convinced that the agreement will be satisfactory. One might be able to justify the railway freights, but the Minister cannot justify the Commissioner's action in respect of the refund. I will test the feeling of the House with this motion.

Question put and passed.

BILL—WORKERS' COMPENSATION.

In Committee.

Resumed from the previous day; Mr. Richardson in the Chair, the Minister for Works in charge of the Bill.

Clause 14—Liability of Employers (partly considered):

The CHAIRMAN: When progress was reported last night the Minister for Works had moved to insert the following proviso:—

Provided that if an employer proves to the satisfaction of the Minister that such employer has before the commencement of this Act established a fund for insurance against liability in respect of injuries suffered by workers employed by him, and has deposited at the Treasury securities charged with all payments to become due under such liability, the Governor may exempt such employer from the liability to make contributions under this Act, and may at any time revoke any such exemption; and provided, further, that the workers covered by such insurance shall not have any claim against the fund established by this section in respect of injuries suffered during the period of any such exemption.

The MINISTER FOR WORKS: Last night I promised to inquire of the Parliamentary Draftsman if the clause actually meant what we desired it should mean. He thinks it does carry out our wishes, but to make doubly sure has suggested the addition of a few words. I move—

That the following words be added to the proviso:—"but the employer shall be liable to satisfy any such claim."

Hon. A. McCALLUM: I should not think these words would meet the case. What about the medical attention, and the authority the commission exercise over the treatment of the patients? Suppose there is a dispute over a lump-sum settlement. The only redress the injured worker has is against the commission. What we need is a short amendment saying that where a fund

like this is established the employee of the company or firm shall have the same redress against such company or firm as if he came under the commission in other circumstances.

The Minister for Works: That is what is intended.

Hon. A. McCALLUM: I would not be averse to a company having their own fund. Wherever that is established, however, the company should be in the same relation to the employee as the commission would be. Merely to say that the employer shall be liable to satisfy any such claim will not meet the situation.

The Minister for Works: The words indicate that any such claim shall be against the self-insured.

Hon. A. McCALLUM: There is more in this than just satisfying a claim.

The Minister for Works: The fund will have nothing to do with the self-insured.

Mr. Kenneally: That makes things still worse.

Hon. A. McCALLUM: Who will pay the doctor's expenses?

The Minister for Works: That will be done by the self-insured.

Hon. A. McCALLUM: If the worker is employed by a company establishing their own insurance, does it mean that the employee will have the same facility as if he were under the control of the commission?

The Minister for Works: The commission cannot control the self-insured, who must carry out their own obligations.

Hon. A. McCALLUM: Everything to do with medical and surgical treatment as well as control must apply right through the piece.

The Minister for Works: These people are being exempted from the fund.

Hon. A. McCALLUM: There is no discrimination now between a firm that is self-insured and another firm.

The Minister for Works: None at all.

Hon. A. McCALLUM: And there should not be any under this arrangement.

The Minister for Works: You do not expect the commission to find all the cost of administration.

Hon. A. McCALLUM: I want the same facilities afforded for treatment and control, and the same obligations and liabilities to be in evidence, in both cases.

The Minister for Works: Do you expect the self-insured to make the other insurers pay for everything?

Hon. A. McCALLUM: The payment will come from the fund. These firms cannot be exempt.

The Minister for Works: The injured worker will get all the benefits under the Act, but the claim must be against the self-insured.

Hon. A. McCALLUM: The facilities for getting out the money must be clearly set forth. It would not be difficult to draft a clause providing that the self-insured employer must stand in the same relationship with the employee as the other type of employer.

The Minister for Works: That is what we are providing.

Hon. A. McCALLUM: It is clear that the payment shall be made out of the fund, but there is no provision for putting the machinery into operation. A man might be brought to Perth from some outback centre so that his injuries might more readily be attended to. The fund ought then to stand in the same position to him as the commission would do. Will the Minister have that phase of the matter looked into?

The MINISTER FOR WORKS: I sent my secretary to see the Parliamentary draftsman this morning. Dr. Stow said the meaning of the clause was quite clear to him, but that the addition of the other words would make assurance doubly sure. I have agreed to recommit the Bill. Meanwhile I will get other legal opinion on the question of the control of medical services, etc., and if necessary the clause can be further amended. It is desired to ensure that the employees of a self-insured firm shall have the same rights as those engaged by other firms.

Mr. KENNEALLY: The allowance for medical attention has been reduced to £52 10s. The Minister said there was a proviso in the Bill to safeguard the interests of the injured person in that the commission had power to exceed this amount where necessary. Will he see that that is made clear in the case we are now debating? He should make sure that the employees of self-insured firms or companies are brought within the scope of the same proviso.

The Minister for Works: That is the difficulty with these funds.

Mr. KENNEALLY: The position must be established that any man who comes under these funds shall be no worse off than the man who is attended to by the commission. I hope the Minister will look into that aspect of the case.

Mr. ANGELO: I have read the Minister's amendment with considerable astonishment and I may say also with pleasure, and I intend to support it. I am surprised to see the amendment proposed because it is altogether foreign to what the Minister told us was one of the vital principles of the Bill. When he introduced the Bill to the House, the Minister stressed the fact that there should be a common fund to which every employer throughout the State should contribute. And by contributing to that common fund, the cost of the administration would be considerably reduced and, in fact, made as cheap as possible for the employer. Now we find a complete change of policy. The big firms are to be allowed to carry their own insurance. How many of these big firms are there? If the House saw the list they would find that the number was considerable. A vital principle of the Bill, as we understood it, is being broken. I am glad to see that, and that is why I am going to support the amendment. I did not speak before because I did not like the Bill. It created a Government monopoly. Here we have a breaking down of that monopoly; that is why I am going to support the amendment. But what I want to know is that if the Bill is to be amended for the benefit of one class of people, why not amend it also to suit the other class? Why cannot the poorer firms be allowed to insure through those bodies that have carried this class of business for the last 30 years? Those bodies have lost money because the Act compelled them to lose it. The State Insurance Office may have made a profit, but have they allowed for the claims that may become payable under the present policy? The Minister told us last night that he got the Bill only three days before he introduced it. I should like to know what opportunity the representatives of Labour, or the employers' representatives have had, to offer suggestions in the direction of making the Bill suitable for all sections of the community.

Hon. A. McCallum: You would not support our proposal to refer the Bill to a Royal Commission.

Mr. ANGELO: No, because the hon. member proposed it before the Bill was actually introduced. I had not read the Bill.

Hon. A. McCallum: You did not want an inquiry because it did not suit you.

Mr. ANGELO: The Bill has not had the investigation it should have received, and I told the Deputy Premier the other evening that it should be more closely investigated before it becomes law.

Mr. Kenneally: It has suddenly become very important to some members.

Mr. ANGELO: It has always been important to me. I want to see a reduction in the costs without curtailing the advantages to the worker, but I do not consider that this is the proper way to do it. The matter should be thoroughly inquired into by a select committee, and all sections interested, including representatives of employers, the medical profession, and the insurance companies, should be given an opportunity to explain the reasons for the heavy costs, and then we might evolve a measure satisfactory to all. The fact that the Minister has come down here in the last day or two with pages of amendments shows that the Bill has not had full investigation.

The MINISTER FOR LANDS: I hope the Committee will not run away with the idea that there is a monopoly; the object is solely to assist those engaged in industry and to compensate those injured in industry.

Mr. Angelo: I agree to differ.

The MINISTER FOR LANDS: If this is a contentious clause, we should drop it altogether. There was an agreement entered into by the previous Government and as far as possible it is our desire to maintain that agreement.

Hon. A. McCallum: That was a fair proposition, too.

The MINISTER FOR LANDS: I know the member for Gascoyne will give us his support because he thinks he will be able to protect the insurance companies which, he says, are losing money by transacting this business. I am not concerned about the insurance companies: what I am concerned about is the reduction of the cost of production, and at the same time doing as little injury as possible to those engaged in industry, directly or indirectly. If the industries in the State prosper then the insurance companies will transact a greater amount of business. I am disappointed at the attitude of the member for

Gascoyne because if there is any man who should give consideration to the industry existing in the pastoral areas, it is the hon. member. He should know that no one is having a harder struggle than those engaged in the pastoral industry, and the wheat industry, as well. If this House can give relief in any form to those industries, it will be doing what is fair.

Mr. Angelo: Does the Bill do that?

The MINISTER FOR LANDS: It does. It will mean considerably less cost to industry, and we shall not be depriving the worker of the benefits he has been able to get under existing legislation. At the same time, it will make it easier for him to get better attention during the period that he is laid up through injury. It is not a business concern, and should never be regarded as such. I hope members will view it as they view the hospital tax, which levies money from the people for a special purpose, those who unfortunately have to use our hospitals.

Mr. Kenneally: There will be considerably less money for the injured person.

The MINISTER FOR LANDS: The hon. member will admit that we are making an honest attempt to provide for those engaged in industry. However, we need not get to cross purposes over that. I do not mind, nor do the Government mind, if this clause be defeated.

The MINISTER FOR WORKS: The member for Gascoyne has said that I know nothing about the Bill.

Mr. Angelo: No, I said you had told us that you had got the Bill only three days before bringing it down.

The MINISTER FOR WORKS: But any intelligent member knows that the Bill has been discussed by the Government for the last eight months. When I said I did not have the Bill, I meant the final draft of the Bill. I propose to deal at some length with the fund. I have had to attend two conferences in Perth in an endeavour to enlighten people as to this fund. The Press is very much opposed to it, and so are the business people and the Employers' Federation. Nevertheless it is the foundation of the Bill. It has been called a State trading concern, socialistic legislation, Labour legislation, and other epithets, until one would think there was no other compulsory fund in the world. Yet the member for Gascoyne himself was

one of a deputation that asked the Government of the day for the very same thing—for what is the purpose of the Vermin Board? The Pastoralists' Association went to the Government and asked them to initiate a compulsory fund. For what purpose? Not to protect men, but to protect sheep. Last year the State Insurance Office received £199,000 in premiums, while the insurance companies received £235,000. So this department of State is by no means a new one. It already exists, and is doing nearly as much business as the 52 companies in the State combined. Queensland in 1928 had a population of 916,000 persons, while Western Australia had a population of 405,000. Last year Queensland paid £428,000 in workers' compensation premiums, while Western Australia paid £435,000. So Queensland is doing the whole of her workers' compensation at a lesser price than we are doing ours. And that is a State monopoly run by the Government. They have a reserve fund of £375,000, and every year they make a profit. In this State the premiums collected in 1930 for ordinary insurance from private people amounted to £55,605, and the premiums collected for miner's phthisis under the Third Schedule amounted to £38,505, while the premiums paid by the Government for Government servants totalled £107,406. So the total premiums collected aggregated £199,516. And this was the state of the fund on the 30th April of this year: The General Accident Fund had a balance of £13,556; the Miner's Phthisis Fund had a balance of £126,933; the Government Fund had a balance of £46,158, or a total reserve of £187,447.

Hon. A. McCallum: Yet the insurance companies told us they would lose half a million in the first year.

The MINISTER FOR WORKS: Last year the Workers' Compensation Fund, the Third Schedule Fund, paid £10,000 to the Miners' Phthisis Fund. It has been said that some of the claim that should be on the Third Schedule has been shifted on to the Miners' Phthisis. So it was only a matter of justice to hand that money over. I repeat that the figure for Queensland last year was £428,000 in premiums, while for Western Australia the amount was £435,000, and that notwithstanding the difference in the respective populations. I have here an

extract from an address by Mr. G. A. Kingston, Chairman of the Ontario Workers' Compensation Board. Ontario, I may say, has the pioneer workers' compensation fund of the world, a fund established in 1906. Mr. Kingston had this to say—

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

The same gentleman in the following year made this statement:—

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

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

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR WORKS: When I spoke of the administrative costs of the insurance companies being 38 per cent. and of the State Insurance Office 2.8 per cent., I did not wish it to be thought that the cost under this measure would be 2.8 per cent. The cost would probably be similar to that in Queensland. Let me say also in fairness to the insurance companies that they are taxed by the Government, and that under this scheme the Government would not get that taxation. On the premium income 2.3 per cent. is charged, and also 1.3d. in the pound and 15 per cent. on the profits. As there have been no profits, the companies have paid only the 2.3 per cent. on the premium income. It has been said that the proposed scheme is socialistic and a form of State trading. Canada has no Labour Party of which I am aware, and certainly no Labour Government. Neither has any of the States of America. Yet eight provinces of Canada have a compulsory fund similar to the one proposed here. So also have the Dominion Government of Canada in respect to their own employees and 14 of the States of America. It has been said that a Government department cannot possibly be ad-

ministered at reasonable cost. Let me give some figures of the cost in America. The exclusive fund in Alberta in 1928 cost 5.17 per cent. of cash receipts, a reduction of 68 per cent. compared with the previous year. In Maryland, where the system is competitive, the expense ratio in 1929 was 8 per cent. of the premiums written, a reduction of 16.66 per cent. compared with the previous year. New York has a competitive system, of which the "Monthly Labour Review" says—

There is no doubt that the State Insurance Fund as at present administered is performing an exceptional service. In general, its initial premium is on the average of 15 per cent. below the rate of the casualty companies. In addition, it has returned to its policy holders on the average a dividend amounting to approximately 15 per cent. annually. This dividend, combined with the reduction in the initial rate, has reduced the actual cost of compensation to the employer approximately 27.5 per cent. All those concerned in the administration of this fund are entitled to commendation.

North Carolina, with an exclusive system, records in its first annual report administration expenses equal to 5.2 per cent. of the benefits awarded. Iowa, where the system is competitive, reports that the expense of administration is equal to about 2 per cent. of the benefits. Ontario, with an exclusive system, had a percentage relation of administrative costs to benefits awarded equal to 4.26 per cent. in 1929, compared with 4.49 per cent. in 1928 and 4.66 per cent. in 1927. I have reports of 15 different funds in the United States and only one of them allows self-insurance. Queensland does not allow self-insurance. It has been suggested that the clause be amended to allow companies in future to be self-insurers. If that were done, we should also allow the Government to be self-insurers. The Government are the biggest employers of labour in the State and will come under this fund. The effect of the Bill will be that every person employing labour will become an insurer with the State. If the Government, who paid £107,000 in premiums last year, had not to come under the fund, they would have to charge the ratio of expense of the new department, which would mean that the fund would not get the full benefit. Why do the companies wish to become self-insurers? They are bitterly opposed to the fund.

Mr. H. W. Mann: Do you blame them if they can do it more economically?

The MINISTER FOR WORKS: I have told them I believe we can reduce the cost of administration by 10 per cent., and I believe the companies could reduce it still more. If all the big employers of labour were allowed to be self-insurers, the fund would get the insurances of only the employers of two or three men and the administrative costs would inevitably be high. For that reason I consider that all industry should come under the measure. I have said sufficient to convince any unbiased person that the establishment of a fund such as we propose will considerably reduce the cost of workers' compensation to industry, and it will also enable us to organise the medical service as it is not organised to-day.

Amendment on amendment put and passed.

Amendment, as amended, put and passed.

Mr. SAMPSON: I move an amendment—

That the following proviso be added:—"Provided that if any employer shall, before the end of the month of October in the year current at the commencement of this Act or before the end of the month of July in any subsequent year, produce to the commission a policy of insurance from an incorporated insurance office approved by the Minister for the full amount of all compensation which in accordance with the terms of this Act has or shall or may become due at any time during the year to any worker employed by him, and shall by notice in writing claim exemption from the obligation to make contributions hereunder, then the preceding provisions of this section shall not apply to such employer and subsections (2) and (3) of section forty-six shall not apply to such policy of insurance; but the workers employed by such employer shall be entitled to demand from him payment of any compensation which otherwise would be payable by the commission and shall not have any claim against the commission in respect thereof."

It has been said that insurance companies do not desire the business. They have carried on the business for many years and are still carrying it on, so we are not justified in saying that they do not desire it. On that point there is no evidence beyond the statements made here during the discussion of the Bill.

Hon. A. McCallum: It is a natural deduction that they do not want to carry on unprofitable business.

Mr. SAMPSON: I have heard that the business has been unprofitable during the last four years.

Mr. Corboy: Why are the companies trying to get it if it is unprofitable?

Mr. SAMPSON: Employers should be given the alternative of insuring with an incorporated company having the approval of the Minister.

Hon. P. Collier: Your amendment affects the whole principle of the Bill.

Mr. Corboy: How could the business be carried on at cheaper rates?

Mr. SAMPSON: The principle of a monopoly can no longer be maintained.

Hon. A. McCallum: I can see that we shall have to save the Government from their friends.

Mr. SAMPSON: The Minister has provided for self-insurance by individuals, firms or companies. I want to establish the right on the part of the employers to continue to insure their staffs for workers' compensation with the same company with which they have insured during the past year. It would be unfair to deprive the companies of this business. Each company has deposited £5,000 with the Government, and it would be in the nature of repudiation to curtail the business of any of them.

Hon. P. Collier: It was a good investment, and at a good rate of interest considering the decisions of the Premiers' Conference.

Mr. SAMPSON: This money had to be deposited with the Treasury. Certain unemployment will be caused if the companies are deprived of this work. The Bill suggests the establishment of branches and agencies. The companies already have their agents throughout the State, and co-operation between the proposed fund and the companies might prove helpful. It would be wrong to make it impossible for the companies to do workers' compensation business.

Mr. Corboy: We should make it impossible for them to continue to rob people.

Mr. SAMPSON: Of course the hon. member does not mean that.

Mr. Corboy: I do mean it.

Mr. SAMPSON: I have faith in the insurance companies.

Mr. Corboy: Faith has kept alive more than the insurance companies.

Mr. SAMPSON: They carry the blame for many things for which they are not culpable.

Mr. Corboy: You do not suggest they are public benefactors?

Mr. SAMPSON: Insurance is a necessary service. It is easy to say that the other fellow is doing wrong.

Hon. P. Collier: More than 60 companies are doing this business in Western Australia, and that may be responsible for the high costs.

Mr. SAMPSON: Competition in trade usually keeps prices down.

Mr. Corboy: There is no competition with respect to the price that is paid for insurance.

Mr. SAMPSON: It is gratifying to know that no charge of being monopolistic can be levelled against the Bill, seeing that it admits the principle of self-insurance. On the 11th September of last year the "West Australian" quoted some figures given to the Perth City Council by the City Treasurer, Mr. H. W. Taylor. These show the cost of different classes of insurance on the City Council's risks. In the case of workers' compensation the price from the State Insurance Office was £6,311, whereas a private company charged £4,525.

Hon. P. Collier: Why take that particular case?

Mr. SAMPSON: These are figures that were put before the Perth City Council.

Mr. Raphael: That company was Lloyd's, which quoted a price against all the other companies in Australia.

Mr. SAMPSON: I am gratified to have the hon. member's support.

Mr. Raphael: There is no support about it: I am telling the truth which you are endeavouring to dodge.

The CHAIRMAN: The hon. member must keep order.

Mr. SAMPSON: He has the pathetic idea that he is endeavouring to help me.

Mr. Raphael: Anything you attempted to do would be pathetic.

Mr. SAMPSON: The private company quoted £4,525.

Hon. P. Collier: Was that Lloyd's?

Mr. SAMPSON: Yes, but I did not wish to give them a free advertisement.

Hon. A. McCallum: What insurance was that?

Mr. SAMPSON: Workers' compensation insurance.

Hon. A. McCallum: I have never known Lloyd's to touch that class of insurance.

Mr. SAMPSON: The member for Victoria Park ought to know all about this, be-

cause it was dealt with at a special meeting of the Perth City Council.

Mr. Raphael: Lloyd's were forced to accept that insurance.

Mr. SAMPSON: The statement of the City Treasurer shows that the State Office insurances covered workers' compensation as affected by miners' diseases, whereas this was not covered in the other cases. In addition to the figures I have quoted, the Associated Insurance Offices gave a price of £4,853. The City Treasurer showed that with Lloyd's insurances the saving would be £1,386, and against the Associated Insurance Offices the savings would be £958. That is an answer to the member for Yilgarn-Coolgardie.

Hon. P. Collier: That was a special quotation to the Perth City Council only.

Mr. SAMPSON: Yes; but a big organisation like Lloyds knows the costs and risks.

Hon. P. Collier: But Lloyds are the only company doing insurance work in Western Australia who are not in the ring.

Mr. SAMPSON: I have been told that there is another company outside, in addition to Lloyds.

Mr. Corboy: Do you think it fair to quote just one case like that?

Mr. Raphael: Do not forget that Lloyds were forced into accepting workers' compensation risks, as otherwise they would have lost all the insurances of the Perth City Council.

The CHAIRMAN: Order! I ask hon. members not to interject.

Mr. SAMPSON: One would imagine that these quotations had been arrived at carelessly, in offices where costs were unknown; but they were arrived at by skilled actuaries.

Hon. P. Collier: With all the local companies in agreement.

Mr. SAMPSON: No.

Mr. Corboy: It was a special case where a special quotation was given.

Mr. SAMPSON: I have definitely proved that the quotation of the State Insurance Office was in excess of that of the associated insurance companies and that of Lloyds.

Mr. Corboy: For one special job.

Mr. SAMPSON: One special job that all of them went out after. Did these companies, well established and with capable staffs, make an error?

Mr. Corboy: Does that disprove what the Minister said about insurance in the Canadian States?

Mr. SAMPSON: I am not out to disprove one word that the Minister said. In support of my clause, and not to imply any doubt or misgiving, I remind the Committee that State insurance has existed for four or five years, and that during that period workers' compensation insurance in the ratio of five to one has been given to the private companies as against the State Insurance Office.

Hon. P. Collier: Many of the employers who gave insurance business to the private companies are shareholders in them.

Mr. SAMPSON: A man may be a shareholder in a company and yet not deal with the company if he can do better elsewhere.

Hon. P. Collier: He has regard to his investment in the company all the time, though.

Mr. SAMPSON: Not necessarily. A good deal of influence was used in regard to taking up other insurance business besides workers' compensation in the State Insurance Office.

Hon. A. McCallum: Is the ratio of five to one in reference to the number insured?

Mr. SAMPSON: No; as regards amount.

Hon. P. Collier: Where did you get those figures?

Mr. SAMPSON: From the Minister.

Hon. A. McCallum: Those figures exclude Government workers' compensation. The Minister specially explained that.

Hon. P. Collier: You are talking about the volume of business done.

Mr. SAMPSON: The volume of business in the hands of those who desired workers' compensation insurance and could place it.

Mr. Corboy: The Government could surely place it.

Mr. SAMPSON: The employers should have the alternative right of taking out workers' compensation insurance with the companies. Here is an extract from the third annual report of the Workers' Compensation Commission of New South Wales, for the year ended 30th June, 1929—

In the competitive field of compulsory workers' compensation insurance forty-four licensed insurers operate. They comprise the Government Insurance Office, Mutual Indemnity Associations, tariff companies, and non-tariff companies. The premium rates for insurance charged by the Government Insurance Office and the tariff companies are identical, and for insurances continued during the current year these insurers allowed a rebate of 20 per cent. off tariff rates. The Mutual Indemnity Associations allowed varying rebates which usually were greater than those allowed by the other groups of insurers.

Further, seventy employers, representing a wage-roll of £31,567,844 have become authorised self-insurers with the object of reducing the cost of their workers' compensation liabilities. The fact that employers may self-insure has no doubt acted as a deterrent to higher charges for insurance being made by insurers.

Mr. Corboy: That would represent only about 10,000 workers out of the total for the whole State.

Mr. SAMPSON: The extract continues—

It has been stated that another factor which has acted in the direction of reducing compensation rates is that the majority of employers who do not carry their own risk prefer to transact all their insurance business with the one insurer.

That principle will, I think, appeal to everybody. If one spreads one's various forms of insurance, the effect is to increase the clerical work. The extract goes on—

Many licensed insurers have found that it is good business policy to carry workers' compensation risks at minimum rates, and to conciliate in the settlement of workers' compensation claims, as an employer who is satisfied with the premium rates charged, and the manner in which his injured workers' claims are settled, usually transfers his motor-car, fire, burglary, and other insurance business to that insurer. Experience has shown that competitive insurance operates in the interests of the workers, and ensures that minimum insurance rates are charged to employers. It is pleasing to note that the number of claims brought by injured workers against employers who are self-insurers for hearing and determination by the Commission has been very small, and indicates that conciliation is the principle followed by this group. Here there is a personal as well as a financial interest in the injured worker's speedy recovery; light work is usually found for the worker until he is fit to resume his old job; these factors tend to a better feeling between injured workers and their employer. Again, these employers realise that money invested in accident prevention and first-aid appliances and services gives a good return by reducing the outgo from their self-insurance fund in respect of compensation payments including medical expenses.

I claim the proviso I suggest is reasonable, and should be accepted by the Committee.

The MINISTER FOR WORKS: I cannot accept the amendment, which strikes at the very foundation of the Bill. The member for Swan has talked about men who will be unemployed if the Bill becomes law. This will mean adding to their number. He talked about competition and spoke

about the City Council which was able to quote considerably lower premiums. Those figures have been sprung upon me, but before the debate closes, I shall indicate the true position. Each member has been supplied with a document giving a comparison of rates of premiums for workers' compensation insurance in the different States, excluding Tasmania. These demonstrate the fact that the State Insurance Office has been able to charge premiums at least 20 per cent. lower than those charged by the private companies.

Mr. H. W. Mann: But the State office does not pay taxes.

The MINISTER FOR WORKS: I have already admitted that; I do not propose to hide anything. If hon. members look at the comparative table I have supplied to them, they will find that under the first heading mentioned there, the private insurance companies charge 57s. 6d. per cent. whereas the State office charges 46s. per cent. The next item shows that the private insurance companies charge 90s. per cent. and the State office, 72s. per cent. The next four items show the respective charges as 25s. per cent. and 20s. per cent.; 25s. per cent. and 20s. per cent.; 76s. 6d. per cent. and 62s. per cent.; 80s. per cent. and 64s. per cent. So the rates go on. They demonstrate clearly that the premiums charged by the State Insurance Office are at least 20 per cent. below those charged by the private companies. I agree that the particular company referred to by the member for Swan may probably have quoted some cover at cut rates. The underwriters do not provide cut rates.

Mr. Sampson: It is competition that makes for low rates.

Hon. P. Collier: Where is there competition amongst the members of the Underwriters' Association? There is not a scrap of competition!

The MINISTER FOR WORKS: The list I have supplied to hon. members embodies the established price list of the Underwriters' Association. The charges are the same, showing there is no competition.

Hon. P. Collier: They do not vary to the extent of one farthing.

The MINISTER FOR WORKS: The member for Swan remarked that I said the State Insurance Office did one fifth of the business. It is but half an hour ago that

I made my statement to the House when I showed that the business transacted totalled £199,516 for the year ended the 30th June last. The member for Gascoyne questioned some workers' compensation figures, but I explained the position to the Committee, and if he was not in his place, I cannot be blamed for that. I explained then that the figures I referred to were competitive. Those showed the State Insurance Office £53,605, and the private companies £232,000. In addition, the State office returns show that miners' phthisis business represented £38,505, and ordinary Government insurance £107,000.

Hon. A. McCallum: Can you give the outside figures?

The MINISTER FOR WORKS: The outside figures represented £235,000, including premiums, rents and interest.

Hon. A. McCallum: As against £199,000 for the State Insurance Office.

The MINISTER FOR WORKS: That is the position.

Mr. Angelo: I think the member for Swan referred only to those people who insured where they desired to insure.

The MINISTER FOR WORKS: The member for Swan talked about New South Wales. The State has its own insurance fund there, but it is in competition with the private insurance companies. The conditions there are slightly different from those operating here and administrative costs represent 13.6 per cent. I certainly cannot say what they charge by way of premium. It is remarkable to me to find that no company in Western Australia, except the State Insurance Office, has dealt with Third Schedule business. That is one reason why the Act was not compulsory. They refuse to handle Third Schedule business and the State does the lot.

The Minister for Railways: I think there is one company that does some such business—the Eagle, Star and British Dominions Company. I think they have done some business in connection with the Fremantle Harbour Trust.

The MINISTER FOR WORKS: I am rather surprised to hear that that company has undertaken any Third Schedule risks. I have read the files dealing with that company and I know they asked for certain information, but I was not aware that they had undertaken any business. I understand we charge a premium of £4 10s. on Third

Schedule risks, and there is a balance of £126,000 in the fund.

The Minister for Railways: I think the company operated under the Third Schedule when it was applied to the quarries.

Hon. P. Collier: But that was quite recently.

The Minister for Railways: Yes, the schedule was applied to the quarries in recent months.

The MINISTER FOR WORKS: The proviso suggested by the member for Swan will ruin the whole structure of the Bill and if I were to agree to it, I would have to cut out the fund altogether. The foundation of the Bill is the compensation fund. He referred to self-insurance funds, but I am not too keen on self-insurance. I have provided for it in the Bill because the previous Government entered into a contract. I know of but one compulsory compensation fund in connection with which self-insurance is permitted, and have examined about 20 such funds.

Mr. ANGELO: It has been said that the private companies do not want this class of business. On the other hand we know that the companies' representatives have interviewed the Minister and the Deputy Premier.

Mr. Corboy: They have been saying for years that it is unprofitable, that it is no good to them, and that they do not want it.

Mr. ANGELO: In view of what I have said, we can take it they do want the business. They have been in business for 30 years.

Mr. Marshall: That is 30 years too long.

Mr. ANGELO: Is it not a good job that other hon. members of this honourable House are not so fond of hearing their honourable voices as the hon. member for Murchison?

Mr. Marshall: Then you should sit down.

Mr. ANGELO: I think it will be admitted that I am moderate in the time of the House that I take up. Having been in business for 30 years the private insurance companies were able to make workers' compensation business profitable until four years ago, when the Act was amended. Since then they have been in trouble, which was proved by the figures quoted by the Minister himself. If we take the claims ratio paid, the amount of the claims together with doctors' expenses in 1926 represented

83.25 of the claims paid to the premiums received. In 1927 it was 83.24 per cent.; in 1928, 78.75 per cent.; in 1929, 76.58 per cent.; and in 1930 68.18 per cent. That gives an average of 77 per cent. during those five years. That is to say, for every £100 the companies receive in premiums, they have to pay out £77, including doctors' expenses, leaving £23 to pay for cost of management, administration charges and the assessing of claims, which is a big item. In Great Britain, where the private companies are doing a lot of this work under Government control the Government are satisfied if the claims ratio paid is 62½ per cent., which leaves 37½ per cent. with which the companies carry on the business. From the figures I have quoted, the companies here have had 23 per cent. only, and out of that they have had to pay all administrative charges, 2½ per cent. taxation, stamp duty, dividend tax, and so on. It has to be remembered that the Government will lose the dividend tax if the Bill is agreed to.

Hon. A. McCallum: How can the Government lose dividend duty, seeing that the companies are supposed to be losing money?

Mr. H. W. Mann: Because it is assessed on the gross return.

Mr. ANGELO: I have gone into that phase, and I asked some insurance managers why it was that their rates were so much higher than those obtaining in other parts of Australia where their own companies were operating. They were unanimous in saying that it was because of the provisions of the existing Act. I asked them in what direction they were so affected, and they said it was because the allocations of the compensation were not as they should be. They were excessive in some regards, compared with those operating elsewhere in Australia.

Hon. A. McCallum: That is not true, as the Minister pointed out at the start.

Mr. ANGELO: Later on I want to get evidence to satisfy myself about—

The Minister for Railways: We will give you all the evidence you require.

Mr. ANGELO: But I do not know where you evidence comes from. I want to get evidence from the people on oath. Another reason for the heavy cost of running this business by the insurance companies is the lack of control over a section of the medical fraternity who, it has been said in this House,

have exploited workers' compensation. One great objection to the Bill is that it creates a Government monopoly.

The Minister for Railways: It does nothing of the kind.

Mr. ANGELO: At least 90 per cent. of the people of the State would say that it is to be a Government monopoly. If the State Insurance Office had to pay taxation and legal expenses, and other costs which the insurance companies have to meet, it would show a big loss on this business. The private companies have to keep a numerous staff assessing and watching the claims made against them, and when the State Insurance Office comes out and does business with the public, it will have to set up a similar staff. The business people of Perth have been asking for an amendment of the existing Act, but they have not asked for the creation of a monopoly. The Minister says he cannot accept the amendment because it is in opposition to the vital principle of the Bill. But the Minister's own proviso, passed not many minutes ago, has done that already. He is now allowing the big firms to do their own insurance.

The Minister for Works: Those that are already self-insurers.

Mr. ANGELO: Those people are to continue doing their own insurance. I suggest the Government should extend that privilege to the insurance companies already in the business and let them go on in competition with the State office. There is nothing like competition.

Hon. P. Collier: There has been no competition for the last generation. Everybody is in a ring of some sort.

Mr. ANGELO: I do not object to the setting up of the proposed fund, provided the Minister will permit the insurance companies to come in and compete. I look to my friends opposite to help me in this, for they have just agreed that the big firms shall be allowed to do their own insurance.

The Minister for Railways: All we want to do is to see that the worker is properly protected.

Mr. ANGELO: That is all I am concerned about. I am not asking that the fund should be quashed, but we should not agree to this principle. All I am asking is that the private companies shall have the right—

Hon. P. Collier: If they are given the right to carry on, will they compete for the Third Schedule risks?

Mr. ANGELO: They look for the same assistance from the Government as the State office gets. The Government are paying the premiums for the Third Schedule risks.

Hon. A. McCallum: The companies would not take that business at any price. Yet the Government have made £178,000 out of it, notwithstanding that the companies said they would lose half a million in the first year.

Mr. ANGELO: All I am asking is that consideration shall be given to the companies already in the business. They have helped to build up our cities and towns, and have loaned their money most liberally. To-day they are providing a living for thousands of people.

Mr. Patrick: At the expense of the farmers.

Mr. ANGELO: It is all very well for the farmers. They claim to be on the verge of bankruptcy, but they all run motor cars.

Mr. Marshall: It would take a big 7-seater to accommodate you.

Mr. ANGELO: As a matter of fact, I am driving a baby Austin—and it is insured against third party risks. All I ask is that these companies who have lived amongst us for years—

Hon. P. Collier: We are not going to deport them.

Mr. ANGELO: Yes, by the Bill you are. If people have lost money through trying to do the right thing, it is only fair to give them an opportunity to make it up. I hope the Minister will give this amendment his earnest consideration. I should like to move for a select committee on the Bill, but probably that would mean I should have to take the chairmanship.

Hon. P. Collier: Have you a supporter for your proposal?

Mr. ANGELO: I am looking to the Government.

Hon. P. Collier: To agree to a select committee on their own Bill?

Mr. ANGELO: Yes. They have brought down three or four pages of amendments.

The Minister for Works: All the amendments are not mine.

Mr. ANGELO: Others are being proposed by members who know a good deal of the subject. Apart from the large number of amendments, one has already been car-

ried that upsets the principle of the Bill. An inquiry should be granted to enable the insurance companies to tell us at first hand why the cost in the past has been so heavy and how cheaply they could do the business under amended legislation in future. The companies who have to charge the present heavy rates are almost identical with the companies that are doing the business at cheaper rates in other States. Why? Because the Act here does not give protection against the medical profession that is provided elsewhere.

The Minister for Works: Not any Act in Australia gives protection against the people you mention.

Hon. A. McCallum: The medical costs have not been nearly so great as the companies' costs, and there has been something for the medical costs.

Mr. ANGELO: Most of the companies' costs have included agents' commission.

Hon. A. McCallum: The companies cannot answer for their high premiums.

Mr. ANGELO: I should like them to have an opportunity to give evidence on oath.

The Minister for Works: The medical people have already given evidence.

The Minister for Railways: You do not doubt what they have given us?

Mr. ANGELO: I do not know what they have given us. Let us have an inquiry to hear the views of the workers, the employers and all interested parties. Then we should be able to frame an equitable measure.

Mr. RAPHAEL: I oppose the amendment. I protest strongly against the hon. member's abuse of the medical profession.

Mr. Angelo: Not the whole of the profession, a section.

Mr. RAPHAEL: Why did not the hon. member define the section? Why blacken the whole? It is not honourable for a member to drag the profession in the mud, perhaps for the sake of his own business. I have had many dealings with insurance companies and every one has taken me down.

Mr. Angelo: You are softer than I thought you were.

Mr. RAPHAEL: The beautiful buildings to which the hon. member referred have been erected mostly by robbing the people of their just dues.

The Minister for Lands: That is not fair.

Mr. Angelo: It is not right.

Mr. RAPHAEL: The manager of one company, referring to the loss made on

workers' compensation, said, "A few thousand pounds! Our world assets are £169,000,000. Why worry about such a small thing?"

The Minister for Railways: Where is that man's office?

Mr. RAPHAEL: I assume that by similar "losses" the company managed to accumulate their small assets of £169,000,000. If the truth were known, the companies have probably made a profit out of workers' compensation. This amendment is an attempt to hoodwink members so that the only good principle in the Bill may be broken down.

Mr. KENNEALLY: The Minister said an object of the measure was to relieve industry of some of the burden of insurance, but the amendment would permit the companies to continue operating.

Mr. Angelo: They would be operating in competition.

Mr. KENNEALLY: The companies claim to have lost £73,000 on this class of insurance during the last four years, whereas the State Insurance Office has shown a profit of £4,100.

Mr. Angelo: The State office had not the expenses that the companies had to meet, such as taxation, etc.

Mr. KENNEALLY: The overhead charges of the companies were about 38 per cent., whereas the State Insurance Office reduced its overhead charges in the four years from 4.5 to 2.8 per cent. The amendment seeks to impose additional charges on industry in order to bolster up the companies.

Mr. Angelo: Wait until the State office starts to do outside business, and its costs will then go up.

Hon. P. Collier: It has been doing outside business.

Mr. KENNEALLY: The Bill provides for compulsory insurance. There is no reason why an army of agents should be employed, but the measure will have to be policed.

Mr. Sampson: Much other work apart from canvassing is necessary.

Mr. KENNEALLY: The cost to industry will be reduced, because only the actual cost of the insurance will be charged. The Bill provides for the commission assessing the premium charges, and the commission must consider not only what is likely to be realised, but also what is in hand. Thus only actual costs would be charged. Yet some members enter a plea for the insurance companies with their heavy overhead expenses.

Mr. Sampson: Give the public an alternative.

Mr. KENNEALLY: If the principle of the amendment did not condemn it, the wording should. It mentions an employer who has taken out a policy of insurance from an incorporated office before the end of October or before the end of July, but what would happen if the employer did not continue to insure? If this amendment is passed the whole system set out in the Bill will be altered. How can we ease the burden upon industry by introducing a system that is more expensive than the present one? Probably the amendment is prompted largely by the opposition to State trading concerns. The State Insurance Office, however, has shown that it can ease the burden upon industry, by the profit it has been able to make on workers' compensation business over a period of years. If the operations of that office were extended into the more profitable lines of business, its success would be even greater. It is not taxation that has been responsible for the large expenditure incurred by private companies, but the employment of armies of agents to compete for the business that is available. If the business is concentrated in the State Insurance Office, these expensive operations will be avoided.

Mr. Angelo: I should like to see the whole thing investigated by competent men.

Mr. KENNEALLY: We on this side of the House gave members the opportunity to bring this about, but received no support.

Mr. Angelo: The Bill was not before us then.

Mr. KENNEALLY: I would not suggest that the sub-leader in the "West Australian" to-day had anything to do with the attitude of the hon. member.

Mr. Sampson: Great minds think alike.

Mr. KENNEALLY: The only way to lift the burden off industry is to keep down the cost of workers' compensation insurance.

Mr. PIESSE: If the amendment has done nothing else, it has led to the opening up of a useful discussion on the whole question of workers' compensation insurance. I regret the trend the debate has taken. Some members cannot be proud of the recriminating things they have said against reputable companies, which have carried on business in Australia for many years and are connected with the Old World. The remarks were uncalled for and cannot, I

think, be supported. Members who take advantage of the privileges of the House to make such charges should substantiate them and be prepared to stand up to them outside this Chamber.

Mr. Angelo: Very likely!

Mr. PIESSE: I have no brief for the insurance companies, but I regard it as a duty to see that both sides get fair play. Drastic legislation of this kind must be opposed by certain sections of the community. Public opinion is somewhat divided as to whether the Government can successfully carry on this business in the interests of all concerned. There is some hope of securing the co-operation of the private companies, which are managed by men of skill and ability who have given most of their lives to this work.

Mr. Marshall: The private companies lost money but the State office showed a profit.

Mr. PIESSE: All members cannot pose as insurance experts. It is due to the Minister that a full investigation should be made into the question. The companies should be given an opportunity to refute the statements put up by the Minister.

The Minister for Works: What statements?

Mr. PIESSE: The Minister put up a good case for the Bill, but no case has been put up for the insurance companies, who should be given an opportunity to advance their views.

Hon. P. Collier: Have not the two previous speakers put the case for the companies?

Mr. PIESSE: I do not expect them to be experts.

Hon. P. Collier: They cannot have been without some schooling.

Mr. PIESSE: They have not said the last word that can be said for the companies.

Mr. Kenneally: I heard no such specious pleading when it was proposed to break down the arbitration proposition.

Mr. PIESSE: When the Minister was asking for leave to introduce this Bill, the member for South Fremantle advocated that an investigation should be held.

Hon. A. McCallum: And I got a lot of support from your side, didn't I?

Hon. P. Collier: That was your opportunity.

Mr. PIESSE: I was not opposed to any attempt on the part of this Chamber to reduce the cost of workers' compensation insurance, which is pressing so hard upon industry. At that time I was somewhat doubtful as to the hon. member's intention. I do not regard this Chamber as competent to deal with every technical phase of the measure without availing itself of expert assistance from outside.

The Minister for Works: We have had that assistance.

Hon. P. Collier: Let us have a select committee on every Bill!

Mr. PIESSE: Apart from the excellent case put up by the Minister, we have had very little evidence indeed to show that the stage has been reached when we should cut adrift altogether from association with the private insurance companies, which have played an important part in the building-up of the State. I have been concerned at the high cost of workers' compensation insurance. We should inquire whether the whole of the blame for that high cost rests with the companies. Let us find out where the responsibility lies—whether with the companies or with the Act.

The Minister for Works: With both.

Mr. PIESSE: We should give the fullest consideration to those who have expert knowledge of the subject. It is not too late for the Minister to invite suggestions from the companies. He will not be able to cut out all the costs incurred by them. Agency costs no doubt will be reduced; but the expense of settling claims, especially in sparsely populated districts, will be considerable. The electors fear that this being a Government monopoly, another State department will be set up.

The Minister for Works: One body will be able to do the work cheaper than 50 do.

Mr. PIESSE: Undoubtedly the increase of the maximum from £400 to £500, which the Minister has agreed to, will raise the cost of insurance. The Bill should be referred to a select committee. If the companies are not to be permitted to compete for the business, safeguards will have to be devised against the creation of another large Government department.

Mr. SAMPSON: The Minister has stated that the carrying of the amendment will cut out the fund.

The Minister for Works: No. I said I would cut out the fund.

Mr. SAMPSON: That is an acknowledgment that the service given by the companies is good, and would withdraw from the proposed fund a good deal of business. The employers should have the right to go to the companies if they wish to do so. The member for East Perth said that diseases under the Third Schedule would not be covered unless the State did the whole of the work. Does the hon. member mean that employers in other industries are carrying the burden of the Third Schedule? The whole of the argument has proved the reasonableness of the amendment.

Hon. A. McCALLUM: The member for Gascoyne said the only good feature of the Bill was the addition made by the Minister.

Mr. Angelo: I did not say that.

Hon. A. McCALLUM: Yes. The hon. member was given an opportunity of voting on the second reading of the Bill. He then knew its contents. Nevertheless he voted to keep the Bill on the Notice Paper, having said that it had no virtues.

Mr. Angelo: I understood you were going to ask for a select committee immediately the second reading was carried.

Hon. A. McCALLUM: Before either side had pledged itself to any definite line, the Opposition offered the opportunity of a full inquiry by men directly interested, practical men outside the House, who would recommend to Parliament what in their judgment should be done. That proposal was not listened to. Probably the bulk of hon. members opposite thought we were not genuine in making the proposal. The Government have now announced their policy, and how can they go back on it? When everyone was free, was the proper time for a full inquiry, which would have resulted in independent recommendations to Parliament. Now, however, certain outside influences have been at work. It had not been known that those interests were to be attacked; at any rate, it had not been publicly declared that their field of operations was to be invaded. Vested interests are now aware that they are to be attacked, and therefore an inquiry is desired by them. They could see all sorts of pitfalls in any investigation suggested from this side of the Chamber. I gave the House an opportunity to avert the present position before the Government had even declared themselves regarding the proposals in the Bill, but I did not get a single vote from the Government side of the House.

Mr. Angelo: You will find there will have to be an investigation before we get to the second schedule.

Hon. A. McCALLUM: I told the hon. member an investigation would be necessary before we got to the first clause. The Minister has informed the Committee that he discussed the position with the insurance companies, and despite their representations, he has advanced a proposition the effect of which will be to put the companies out of workers' compensation business. I have not the least doubt that the insurance companies are responsible for the high cost of workers' compensation in this State, because they set themselves out to make the whole scheme unpopular. The companies engaged a pressman who was paid a high salary to write articles for publication in the "West Australian" to create public opinion that would make the law unpopular. The object was to decry workers' compensation in the eyes of the public. The effect of the propaganda was to make it unpopular, and the companies assisted by increasing overhead charges to the extent of about 40 per cent., which had to be borne by industry. Having created the right atmosphere to promote opposition to the Bill, the companies achieved their objective, but now those very companies are getting it in the neck themselves, and they do not like it. The Minister can support me when I declare definitely that the insurance companies have deliberately increased the rates for the purpose of forcing bad risks into the State office.

The Minister for Works: That is quite correct.

Hon. A. McCALLUM: At their meetings, they fixed a prohibitive rate at which no private company could afford to undertake the risks, hoping to force the business into the State Insurance Office, and so make the State operations unprofitable.

The Minister for Works: I gave the exact figures to the Committee.

Hon. A. McCALLUM: I know what the companies did. I had reports from their meetings each time, and knew within an hour of their leaving the room what decisions they had come to. What would happen if we gave the companies open play against the State Insurance Office? The companies would pick the eyes out of the business offering and force all the bad business into the State office until in the end it would be made impossible for the latter to carry on.

The Minister for Railways: The companies have forced hostility because of their methods. Take their fire and hail premiums, which are so much higher. What is the reason for that?

Hon. A. McCALLUM: Of course. Is there any reason why the cost of workers' compensation business here should be higher than in Sydney where the claim risk is £1,000 as against our £750, and where they pay £250 more for total disablement than we do here? Our rates are much below those operating in New South Wales, yet the cost of the business is much higher here. In this State, the companies have deliberately set themselves out to make that part of the Act unpopular, and it has recoiled on their own heads.

The Minister for Railways: If you could break the ring of fire insurance companies, you would find the difference soon.

Hon. A. McCALLUM: I do not know what would have been the position had not Lloyd's stepped in.

The Minister for Railways: And there is another company now.

Hon. A. McCALLUM: When the Labour Government were in office, we were amazed at the quotes we received. Only one company stood out—Lloyd's. Subsequently the other companies offered to take risks under the Act at a substantial reduction on their earlier offer, showing that they had formerly robbed the people.

Hon. P. Collier: Yes, because they thought Lloyd's would cut them out. They came to me with a deputation and made the offer.

Hon. A. McCALLUM: Their overhead charges were as much as 40 per cent. as against the State Insurance Office's 2 per cent.

The Minister for Works: I do not suggest that we will be able to do it at 2 per cent. under the provisions of the Bill.

Hon. A. McCALLUM: That could not be expected.

The Minister for Works: It will probably be more like 10 per cent. or 12 per cent.

Hon. A. McCALLUM: But the business will come to the State office; there will be no necessity to seek business. In this State we have 60 companies doing insurance business.

Hon. P. Collier: Among 400,000 people!

Hon. A. McCALLUM: Is it any wonder that expenses have been high, and that industries have been asked to carry an undue burden? An attempt has been made, in

pursuance of the usual tactics adopted by the insurance companies, to blame the doctors for what has happened. I am prepared to admit that some members of the medical profession have made a welter of it, but that has not been the general rule. On the other hand, it has been the general rule for the insurance companies to make a welter of it. The circular issued by the British Medical Association showed what the position really amounted to.

The Minister for Works: The Underwriters' Association have supplied me with figures, which I believe to be correct, that show the 29 per cent. represented medical charges.

Hon. A. McCALLUM: Even admitting that to be correct, it shows that the proportion was approximately one-fourth medical, as against one-third insurance companies' charges. The insurance companies, nevertheless, singled the doctors out for a special attack to show that they were the cause of the whole trouble, but the Minister has testified, as I did, that the British Medical Association themselves suggested the appointment of a committee to check the charges of medical men, and I believe the committee that was set up still operates. The members of the committee deal with any appeals against charges levied by doctors, and so far as I am aware no doctor has ever challenged their decision. On the other hand, there is no appeal against the charges levied by the insurance companies. When the Act was first passed, it provided that the companies could operate only with the approval of the Minister, and we tried to arrive at an understanding with them regarding the conditions under which they would undertake certain risks, including those relating to industrial diseases.

The Minister for Works: They agreed to a 25 per cent. increase.

Hon. A. McCALLUM: Yes. A committee was appointed by the Government, comprising the Government Actuary, the Under Secretary for Mines and a man brought across from the Queensland Insurance Office, and that committee recommended a premium of £4 10s. I met the insurance companies in conference, and discussed the position with their head office representatives in Melbourne. They insisted that the rate of £4 10s. was altogether too low, and estimated that the loss on the first year's business would be £500,000. One company went as

high as £750,000. They set out to kill the industrial diseases part of the Act from the very start. They imposed upon industry the enormous costs I have indicated, whereas in other parts of Australia, where the benefits were greater, the business was undertaken at much less cost.

The Minister for Railways: And by the same companies.

Hon. A. McCALLUM: That is so, all because of their hostility to the provisions regarding industrial diseases. Now their chickens are coming home to roost. It is a source of satisfaction to members sitting on the Opposition side that the present Government are accepting the views we held six years ago. They appreciate the fact now that this is the proper way to tackle this class of business. The Bill will mean lower costs and a considerable reduction in the charge on industry, and will assist in the smooth working of industry. If at any stage a suggestion is made that there should be open competition between the State office and the private companies, members can rest assured that the hostile attitude of the companies towards the State office will be accentuated. They will double their efforts to beat the State office, so that they can again get a monopoly and charge what they like. When first the Act was passed and the approval of the Minister was required for the companies doing business, if those companies had accepted that £4 10s. per cent., the State office would never have been established, and the whole of the business would have been in the hands of the private companies. Later, we would have been in the position the Government find themselves in to-day but for those unfortunate words prescribing that the approval had to be given to an incorporated company. Had it been merely approval for an insurance policy, without the words "incorporated company," there would have been a State monopoly long ago. It has cost industry a good deal, but also it has cost the insurance companies a lot of money in propaganda, in which the Press have materially assisted them. In the Press the companies have been given every advantage to put their viewpoints before the public and so create a favourable public opinion. Now the Minister has come to the same decision as we did, namely, that to reduce costs the main thing is to get rid of the 60 insurance companies and so secure better control. I hope

the Government will stand firm on this clause, for the principle involved is the one principle in the Bill that I really like. I do not see any objection to firms getting together, making their own arrangements for insurance, and lodging their security with the Treasury.

[*Mr. Panton took the Chair.*]

Mr. MARSHALL: I wish to reply to the member for Katanning's statement of the attitude of the private companies. I have had a lengthy experience of the gold-mining industry, and I can say that in respect of fatal and major accidents since the Workers' Compensation Act came into operation, in only one case has the insurance company paid up honourably. In every other case insurance agents have come along on behalf of the companies and negotiated with the widow of the deceased. And not only the local agents, but insurance agents would come up from Perth all the way to Meekatharra and try to persuade the widow to accept less than the prescribed compensation. And when an agent failed in his persuasion, he would even attempt to coerce the widow. So bad did it become that we adopted a practice under which no dependant would negotiate with any insurance agent, but instead would send him to the secretary of the union. As I say, in only one instance did the insurance company readily pay up the proper amount. I remember that on one occasion an injured man laying in hospital was persuaded to sign an agreement to take a lesser amount than was due to him. The Minister is wise in holding to his Bill. This should be a fund outside the form of insurance entirely, and the responsibility should be on the State to see that all injured men are compensated to the full. With 52 companies operating in this business, each sending out agents in motor cars, a very heavy burden is cast on industry. If we had a monopoly, there would be no need for a big staff of expensive agents, for the business would come in of itself.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clause 15—agreed to.

Clause 16—Employers to furnish returns on requisition by commission:

The MINISTER FOR WORKS: I move—

That in line 3 of Subclause 2 "September" be struck out and "October" inserted in lieu.

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

Clauses 17 and 18—agreed to.

Clause 19—Classification of industries:

The MINISTER FOR WORKS: I move an amendment—

That after "shall" in line 2 the words "as soon as practicable after the commencement of the Act" be inserted.

Amendment put and passed.

The MINISTER FOR WORKS: I move an amendment—

That after "State" in line 3 the words "and the various occupations in which workers are employed in such industries" be inserted.

Those words will make the position clearer.

Amendment put and passed.

The MINISTER FOR WORKS: I move an amendment—

That the following proviso be added to Subclause (1):—"Provided that the assessments for the year current at the commencement of this Act may be made before any classification has been completed."

It might take some little time to get the classification ready and, if necessary, an assessment could be made before the classification was completed.

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

Clause 20—Matters to be considered before making annual assessment:

The MINISTER FOR WORKS: I move an amendment—

That the following words be added to the clause:—"and to provide such reserves as are necessary to maintain the stability of the fund."

Reserves will be necessary and the amendment will give the requisite power.

Hon. A. McCALLUM: There is an element of danger in the clause, but I cannot see how it can be avoided. Risk is entailed in giving to any one individual sole power to strike a rate and determine the reserves. Even the commission or the Government

would be guided by the man in charge. It is a big responsibility to give to one man. If the Treasurer needed a loan he might be able to get it from this source.

The Minister for Works: He would have to pay 4 per cent.

Hon. A. McCALLUM: I do not think the rate is fixed.

The Minister for Works: It is to be prescribed.

Hon. A. McCALLUM: If the money market were tight, as it is at present, the commissioner might think he was helping the Government by building up big reserves.

The Minister for Lands: Parliament could amend the law if he built up reserves that were too large.

Hon. A. McCALLUM: All actuaries plan for safety and build up reserves against emergencies. A fair reserve would be necessary, because a big disaster might involve heavy claims in one year. There is a danger of an unnecessarily large amount being reserved and of an impecunious Treasurer getting it at a rate that would pay him to use it. I am uneasy about the point, but I cannot suggest a safeguard.

The MINISTER FOR WORKS: There is nothing to fear. The Bill provides for a report to be presented to Parliament each year and for the Auditor General to audit the funds. If members considered the reserves were too large, action could be taken.

Mr. Kenneally: Only by amending the Act.

The MINISTER FOR WORKS: No, the Government Actuary would have to take notice of a resolution of Parliament.

Mr. Kenneally: Parliament cannot direct the actuary.

The MINISTER FOR WORKS: Of course it can. I know no other way in which to establish a reserve.

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

Clause 21—Assessment of contribution:

The MINISTER FOR WORKS: I move an amendment—

That in Subclause 2 the following words be added:—"and the assessments for the year current at the commencement of this Act need not be made before the 15th day of December, 1931."

This is designed to give the Government Actuary reasonable time to complete his operations with regard to the fund.

Amendment put and passed.

The MINISTER FOR WORKS: There have been some objection to Subclause 4 on the ground that it is retrospective in effect. People object to it. An employer might be assessed at £100, and having closed his books he might receive another assessment for a further £50. We should not allow the principle of retrospection to creep into our legislation. I move an amendment—

That Subclause 4 be struck out.

Amendment put and passed.

The MINISTER FOR WORKS: I move an amendment—

That in Subclause 6 after the word "shall" the words "subject as hereinafter provided" be inserted.

Amendment put and passed.

The MINISTER FOR WORKS: I move an amendment—

That the following proviso be added to Subclause 6:—"Provided that it shall not be obligatory to adopt one uniform rate of assessment in respect of all the workers employed in any industry if workers of different classes are employed therein; but an employer may be assessed in respect of the workers of each class employed by him in the industry at a rate appropriate to that class having regard to the risks incidental to the kind of work in which workers of that class are engaged."

This is taken from the Ontario Act. The sawmilling industry, for instance, is divided into half a dozen classes already, and it may be necessary to divide it into eight or more different classes, and to vary the premium in each class. The object of the amendment is to permit this to be done.

Hon. A. McCALLUM: We should differentiate between the rates charged to our own people and those charged to foreigners. The risk the foreigner has created in the timber industry has brought about the present high premiums. I take it the word "class" means the type of work upon which a man is engaged.

The Chief Secretary: It means "kind" of work.

Hon. A. McCALLUM: We ought to take power to differentiate between nationalities.

The Chief Secretary: It could not be put into the Bill because this would be a Commonwealth matter.

Hon. A. McCALLUM: We have differentiated in the Licensing Act and in the Shops and Factories Act. We ought to guard against the position that has developed in the South-West. It is significant that the State Sawmills have not had nearly as many claims against them as the private timber companies have had. That is because the State Sawmills do not employ foreigners. Firms who choose to employ them should pay for the risk; it should not be borne by the industry as a whole. The Bill does not empower the Government to strike different rates for different nationalities. I know the danger involved in my suggestion: the measure would have to be referred to the Home authorities. Possibly Signor Mussolini might raise objection. However, I shall not be concerned at that if we can protect our industries. I move an amendment on the amendment—

That after the word "classes" in line 4 of the proviso there be inserted "or nationalities."

The MINISTER FOR WORKS: I fear I cannot accept the amendment, although I realise that there is something in the arguments of the mover. The hon. member himself has pointed out that delay would be involved.

Mr. KENNEALLY: Will the Minister make no effort to obviate the difficulties that principally create the extra expense?

The Minister for Works: I have done so.

Mr. KENNEALLY: The Minister's proposal would penalise Australians as well as the people who are chiefly responsible for the trouble. The hon. gentleman proposes to deprive all workers of certain benefits. It has been stated that a certain class of foreigner has been indulging in the questionable pastime of toe amputation. British subjects should not be penalised in order that those foreigners may be dealt with. Even though some delay may be involved, we should provide against foreigners addicted to self-mutilation for pecuniary profit. The adoption of the suggestion made by the member for South Fremantle is overdue.

Mr. MARSHALL: I doubt whether the amendment on the amendment involves interference with the rights and privileges of foreigners who come to this country.

The CHAIRMAN: The words proposed to be inserted are "or nationalities."

Mr. MARSHALL: The effect is the same. No particular nationality will be singled out. It is pitiful that such a point should have to be raised with a view to emphasising the advisableness of employing Australians. Foreigners who fired bullets that laid low some of our soldiers are now employed here. On the other hand our own returned soldiers are looking for work. Germany, in particular, provides labour for none but Germans.

Hon. A. McCallum: In Japan they will not allow foreigners to land.

Mr. MARSHALL: I believe Germany is almost as careful, and a German, with Jewish blood, is not allowed to enter the country. On the other hand, in Western Australia we have to pass legislation to compel people here to be at least patriotic enough to employ our own people. There is only one other point, and the Chief Secretary might advise the Committee whether in his opinion the amendment will lead to international complications.

The MINISTER FOR LANDS: I hope the Committee will not pursue this matter very far.

Hon. A. McCallum: I pursued it consistently when I was Minister.

The MINISTER FOR LANDS: There would be justification for the amendment if it could be proved that the foreigners have actually exploited the fund as has been suggested. To police the measure with such a provision embodied in it would make it much more expensive than it is to-day. People will always tend to insure their workers at a lower than at a higher rate. I wish seriously to suggest to the member for South Fremantle that the difficulty can be overcome in another way. If the A.W.U. and other organisations concerned were to exclude these foreigners from membership of those bodies, the difficulty would be met.

Mr. Marshall: That cannot be done legally.

The MINISTER FOR LANDS: That would prevent to a great extent the foreigners securing employment.

Hon. A. McCallum: That sort of thing cost the Fremantle Lumpers' Union £5,000. In war time they excluded Germans from the union, and that was what it cost them for damages. Later the Government passed a regulation prohibiting the Germans from working on the wharf, but the Government

did not offer to refund that amount to the union.

The CHAIRMAN: Order! This discussion is quite out of order.

The MINISTER FOR LANDS: I want to ascertain how we can prevent foreigners from securing employment. I think the more effective way to deal with the matter would be not through legislation but through the trade unions.

Hon. A. McCallum: The files will show that I ordered an investigation to ascertain whether a higher rate could not be charged regarding foreigners.

The MINISTER FOR LANDS: I do not think it would be wise to include such a provision in our legislation. It would probably have an international effect, and it would place people who come here at a disadvantage. There are some foreigners that we have no desire to exclude.

Hon. A. McCallum: That is so, but the power would be exercised only where desirable.

The MINISTER FOR LANDS: But there would be no alternative.

Hon. A. McCallum: The amendment will merely provide power for certain action to be taken. It does not say that the Minister must take that action.

The MINISTER FOR LANDS: I think it would be better to deal with the matter through the trade unions.

Hon. M. F. Troy: That is stupid.

The MINISTER FOR LANDS: Of course, it is not.

Hon. A. McCALLUM: No trade union has power to refuse membership to any competent worker.

The Minister for Lands: Not now.

Hon. A. McCALLUM: And that was proved when the Fremantle Lumpers' Union took action against Germans on the wharf, yet at that time the union was designated as disloyal. I am serious in my desire to legislate against the heavy imposts upon industry caused through the employment of foreigners particularly in the timber industry, and to a lesser degree in the mining industry. We should segregate that class responsible for the known instances of mutilation. That could be done through imposing a higher rate of premium to be paid by employers who engage such foreigners. The department is sympathetically inclined to such a proposal, but at the present time there is no legal authority for

it to be done. Simply because the heavy imposts on the timber industry are due to the foreign element, why should the whole industry have to carry that burden? Now we have an opportunity to limit the burden. With the inclusion of the amendment it may be necessary to refer the Bill to London to secure the Royal assent. That will mean a delay of six weeks, but surely it is worth while. The amendment will not debar foreigners from employment, but merely provide higher premiums for insurance cover. I am sure it is a desirable thing to do. It is only a question of the risk in which it may involve us. The only risk is that the Home authorities may refuse the Royal assent to it, and that is not likely. These foreigners in the timber industry are inexperienced. Most of them cannot speak our language; they are not used to our methods of carrying on work, and consequently the risk of accident in working with them is greatly increased. When at the department I had an examination made of the claims in the insurance office, and it was seen that there was no question as to who was responsible for the heavy claims. It seemed to me the right thing to do was to charge an increased rate for insuring those persons.

[Mr. Richardson took the Chair.]

Hon. M. F. TROY: It might be advisable to secure the amendment if it were possible that it could be maintained, but I am sanguine that if we attempted to apply it against the Italians there would be international trouble. They have their agents in every country, and are very well-informed. We can depend upon it that Italy is ruled by a man who would not stand that sort of thing. Only a few months ago the Chinese Consul in Australia made a demand that Chinese be admitted to the Commonwealth. The Commonwealth Government have not been able to do more than fence that demand. We Australians have taken a very superior attitude towards foreign nations, but the time is arriving when we shall not be able to maintain it. It might be possible to meet the situation by the amendment, but objection would be immediately raised, the Commonwealth authorities would be approached, and we should find there was no approval for the legislation. The Minister for Lands was quite wrong in thinking the

difficulty could be overcome by the unions. Already the unions have tried to meet the situation, but have failed. At the Fingal mine on the Murchison a large number of foreigners were employed. The unions took action to protect themselves, but it cost them £2,000.

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

| | | | | | |
|------|-----|----|----|----|----|
| Ayes | .. | .. | .. | .. | 17 |
| Noes | 0.. | .. | .. | .. | 19 |

Majority against .. 2

AYES.

| | |
|----------------|----------------|
| Mr. Corboy | Mr. Pantou |
| Mr. Cunningham | Mr. Raphael |
| Mr. Hegney | Mr. Sleeman |
| Mr. Kennelly | Mr. Troy |
| Mr. Lamond | Mr. Wansbrough |
| Mr. Marshall | Mr. Willcock |
| Mr. McCallum | Mr. Withers |
| Mr. Millington | Mr. Wilson |
| Mr. Munsie | |

(Teller.)

NOES.

| | |
|----------------|-------------|
| Mr. Angelo | Mr. McLarty |
| Mr. Barnard | Mr. Parker |
| Mr. Brown | Mr. Patrick |
| Mr. Doney | Mr. Piesse |
| Mr. Griffiths | Mr. Sampson |
| Mr. Keenan | Mr. Scaddan |
| Mr. Latham | Mr. Thorn |
| Mr. Lindsay | Mr. Wells |
| Mr. H. W. Mann | Mr. North |
| Mr. J. I. Mann | |

(Teller.)

PAIRS.

| AYES. | NOES. |
|--------------|--------------------|
| Mr. Collier | Sir James Mitchell |
| Mr. Coverley | Mr. Davy |
| Miss Holman | Mr. J. M. Smith |
| Mr. Lutey | Mr. Teesdale |
| Mr. Walker | Mr. Ferguson |
| Mr. Johnson | Mr. J. H. Smith |

Amendment on amendment thus negatived.

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

Clauses 22, 23—agreed to.

Progress reported.

House adjourned at 10.55 p.m.

Legislative Council,

Tuesday, 9th June, 1931.

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| Bills: Special Lease (Esperance Pine Plantation) Act | |
| Amendment, 2a. Com. ... | 3280 |
| Traffic Act Amendment (No. 2) 2a. ... | 3283 |
| Collie Recreation and Park Lands, 2a. Com. ... | |
| Report ... | 3289 |
| Hire-Purchase Agreements, 2a. ... | 3291 |

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

MOTION—MOTOR ACCIDENTS.

To amend Traffic Act.

Debate resumed from the 26th May on the motion by Hon. G. Fraser:—

That in view of the dire financial straits to which many victims, and relatives of victims, of motor accidents are reduced, this House requests the Government to amend the Traffic Act in a manner that will protect the financial interests of these unfortunate people.

HON. G. FRASER (West—in reply) [4.35]: It has been suggested during the debate that the persons I seek to cover by this motion have their remedy through the law courts. I quoted several cases which have not gone into the courts because the persons responsible for the accidents possessed no assets. It is useless for injured people to take cases through the courts when the persons concerned have nothing behind them. I could quote cases where injured people have gone through the courts, but received no redress. I know of the case of two young lads who were injured by a motor car when they were riding a motor cycle. They took the case to court. One of them had 70 days in a hospital and the other had ten days. One can imagine what the hospital expenses alone were. They were successful in getting judgment, one for £215 and costs, and the other for £125 and costs. Although the accident happened 12 or 18 months ago, negotiations are still going on with respect to payment. So far the lads have not received a penny. When the Government bring down legislation to cover this sort of thing, I trust they will import into it some portion of the New Zealand Act. In this particular case there was a third-party risk covering the motor