

earliest opportunity to have the resolution sent to the Prime Minister.

Question put and passed.

Mr. SPEAKER: There is not a dissentient voice.

Mr. CORBOY: I hope, Sir, that if possible you will direct that your remark be recorded—"There is not a dissentient voice."

Mr. SPEAKER: That will be recorded.

House adjourned at 8.47 p.m.

Legislative Council,

Wednesday, 8th July, 1931.

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

LEAVE OF ABSENCE.

On motion by Hon. Sir Edward Witenoom, leave of absence for six consecutive sittings granted to Hon. A. Lovekin (Metropolitan) on the ground of ill-health.

BILL—WORKERS' COMPENSATION.

Second Reading.

Debate resumed from the previous day.

HON. G. W. MILES (North) [4.36]: I oppose the second reading of the Bill. If it is not intended to establish another trading concern or State utility, the Bill is certainly designed to set up a State monopoly, and that is my main reason for opposing the measure. I admit it is necessary to reduce the cost of compensation insurance to

industry, but that can be done in a manner other than that proposed in the Bill. The Government, in introducing the measure, have acted the part of confidence tricksters towards the insurance companies. I hold no brief for the companies, but it should be remembered that they paid the Government £5,000 each, and the Government hold a quarter of a million of their money in a trust fund. At least, they are supposed to hold it. Whether they hold it or not, the companies have deposited the money. Under the Insurance Companies Deposit Act it is provided—

In this Act the words "insurance company" mean and include any person or body of persons, whether corporate or incorporate, not being registered under the Acts relating to friendly societies or trade unions, whether established before or after the commencement of this Act, and whether within or without Western Australia, who carries or carry on within Western Australia any kind of insurance business except life insurance.

The companies deposited their £5,000 each on the strength of that Act, but the Government, by introducing this measure, are seeking to deprive them of participation in workers' compensation insurance. It is a breach of faith, and for that reason alone the House should not agree to the Bill. The companies have probably brought this class of legislation on themselves by reason of their high overhead charges. I hope they will see their way to curtail their overhead charges. In the course of evidence given before the Farmers' Disabilities Royal Commission yesterday, the chairman of the Underwriters' Association gave particulars of the commission paid to agents. The following is an extract from the newspaper report:—

Agents were paid 20 per cent. commission on fire crop business, 10 per cent. on hail, and 15 per cent. on building insurance. Witness said that the Industries Assistance Board had been allowed a rebate of 30 per cent. by the associated companies in consideration of their doing all the work involved.

Mr. Farrall: Will you give the Primary Producers' Association a similar rebate?

Witness: If the P.P.A. would undertake the compiling of the whole of the risks, the arrangement would receive favourable consideration.

Mr. Carlisle: After paying 30 per cent. to the Industries Assistance Board, and 20 per cent. to agents, a considerable portion of your business is re-insured?—The risks are distributed, but there is no profit or loss made on the transaction.

The Chairman of the Commission said the farmer was in a parlous condition, and costs must be reduced. The insurance companies must do their part, or it was possible legislation might be introduced somewhat similar to that now before Parliament.

The chairman was referring to legislation for the reduction of interest rates.

Hon. H. Stewart: Was not he referring to the Workers' Compensation Bill?

Hon. G. W. MILES: I took it that he was referring to other proposed legislation. I have quoted that extract to show that the overhead expenses of the insurance companies are too high. They have a number of directors that they could do without; they have figureheads whose salaries could be reduced, and the commission paid to agents could be reduced. The companies should be in a position to quote lower rates than those prevailing. Still, justice must be done to the companies, especially as they have lodged deposits with the Government in order that they might operate in this State. We in Western Australia are paying more for workers' compensation insurance than is paid in other parts of Australia and in other parts of the world. Experience of the working of the Act shows that an amendment is necessary. Mr. Seddon quoted details of fees collected by doctors and hospitals under the existing Act. My suggestion for solving that problem is to introduce an amending Bill to put our compensation legislation on the same basis as that of Queensland, where doctors and hospitals are paid out of the compensation and not out of the fund. That would enable premiums to be reduced far below the level at present ruling.

Hon. C. B. Williams: Why not appoint a few State doctors and make it a State department?

Hon. G. W. MILES: Mr. Nicholson has pointed out that under this measure the thrifty man will be expected to pay for the thriftless. The Bill proposes the appointment of a board consisting of the Government Actuary, a representative of the employers, and a representative of the workers. The board would strike a rate and every worker would be covered by insurance. If an employer could not afford to pay, the employee would still receive compensation in the event of injury, but the board would have the right to re-assess other employers and they would have to provide the premiums for those who did not pay. That is

an entirely wrong principle, and the tax would be one that industry could not pay.

Hon. J. Nicholson: And there would not be the alleged saving.

Hon. G. W. MILES: That is so. I intend to deal with that aspect later. Another reason why I oppose the Bill is that the Government ought not to propose the establishment of any trading concern or business that will result in the number of civil servants being increased. The passing of this Bill would mean the creation of a huge department, and the civil servants employed in it would receive all the leave and other concessions now applying to the service. That would be a further tax on the community. I want to see the Government get out of all these things as quickly as possible, and make the conditions of this country such that private enterprise will come in and develop it, and thus create work for the unemployed. The Bill does not tend towards that end.

Hon. C. B. Williams: Could not the State Insurance Office carry on?

Hon. G. W. MILES: There are undoubtedly capable men in the Public Service. In view of the opportunities outside, it surprises me that some of them remain in the service. I wish to quote some cases additional to those cited by Mr. Seddon. Doctors and malingerers have taken too much out of the funds, and caused premium rates to be higher than necessary. The worker does not receive the whole of the benefit under the present system. The Act has been abused by doctors and hospitals. This will be made plain by the following actual cases:—

Case No. 1.						
Received by—				£	s.	d.
Worker	..	..	..	1	5	3
Doctors	..	..	..	4	14	6
Total	..	..	..	5	19	9
Case No. 2.						
Worker	..	..	..	28	13	4
Hospital	..	..	..	12	1	0
Doctors	..	..	..	30	11	6
Total	..	..	..	71	5	10
Case No. 3.						
Worker	..	..	..	6	3	1
Hospital	..	..	..	12	8	0
Doctors	..	..	..	12	1	6
Total	..	..	..	30	12	7

Case No. 4.				£	s.	d.
Received by—						
Worker	..	..	..	14	5	0
Hospital	..	..	..	18	7	6
Doctors	..	..	..	14	3	6
Total	..	..	..	46	16	0
Case No. 5.						
Worker	..	..	..	16	0	0
Hospital	..	..	..	11	8	0
Doctors	..	..	..	21	10	6
Ambulance	..	..	..	1	18	10
Total	..	..	..	50	17	4
Case No. 6.						
Worker	..	..	..	4	10	0
Doctors	..	..	..	7	17	6
Hospital	..	..	..	11	0	6
Total	..	..	..	23	8	0
Case No. 7.						
Worker	..	..	..	73	2	6
Doctor	..	..	..	32	16	8
Hospital	..	..	..	51	17	11
Total	..	..	..	157	17	3
Case No. 8.						
Worker	..	..	..	3	0	0
Doctor	..	..	..	4	14	0
Hospital	..	..	..	8	1	6
Ambulance	..	..	..	1	0	0
Total	..	..	..	16	16	0

Case No. 7 was a serious case. I regret to add—because the majority of doctors are more humane—that in this case the doctor withdrew when the £100 was cut out. There can be no doubt in the mind of any hon. member that the existing Act has been abused. Without reducing the Second Schedule so much as proposed, if it were provided that the worker should pay hospital and medical fees out of compensation, there would be no such malingering as we have heard of from some sections of the House. Doctors and hospitals would not then be able to abuse the Act as has been done in the past.

Hon. C. B. Williams: Why not?

Hon. G. W. MILES: Because the worker would not allow them to do so. If doctors and hospitals were dependent for payment of their fees on the worker, they would not have the present incentive to abuse the Act. The blot on the existing Act is the £100 for medical expenses. Another fault is that the employer cannot insure his own son without taking out a special policy. My son recently had a finger jammed in a harvester. He

bound it up, applied lysol, and went on with his work. The same injury happened to a worker the next day, and under the Act it cost £8 or £10. I believe other members intend to bring forward suggestions for adjusting minor items relating to toes and fingers. A board should decide the disability effect created by the loss of a finger or a toe, instead of amounts being provided as in the Second Schedule to-day. If a typist lost her finger, she should receive more compensation than a lumper who might have suffered a similar injury. Had the Government given consideration to these things instead of bringing forward this socialistic scheme, they would have made better use of their time. The reductions which the Minister claims will result are all under the Second Schedule. They will not be due to the proposed monopoly. Again, the Minister has put up an argument concerning the cost; but the figures submitted to the House are most misleading. It is absurd to contend that the State can run this insurance business at a cost of 4½ per cent. The Government could not run a poultry farm, let alone an insurance business; and I do not say this offensively of the present Government or any other Government. Governments have not the necessary business training. Even in introducing the Bill the Minister made a faux pas when he spoke of saving 200 per cent. I interjected at the time, "How could you do that? It is impossible."

The Minister for Country Water Supplies: The words should have been the other way round. It was a mistake on my part.

Hon. G. W. MILES: I know. However, the Minister also said that if the Government got this monopoly, and insurance was made compulsory, the costs were going to rise to 10 or 12 per cent. That is a nice statement for a business man to make. The Government are going to double their turnover, and their overhead costs are to go up something like 150 per cent. Should a House of review trust a Government who put up such stuff? Instead of its being the other way about, overhead expenses being reduced, they are to be put up 150 per cent.

The Minister for Country Water Supplies: I indicated that there were other charges included in the percentage.

Hon. G. W. MILES: This indicates the misleading manner in which Government figures are put up. The public cannot follow them. I have here a Press cutting which illustrates the position—

In the current issue of the "Retailers' Budget," the official organ of the Grocers' Association of Western Australia, price-cutting is described as "a dangerous practice." It is pointed out that business people cut prices because they want volume of turnover. "Volume," it is said, "is very important, but volume hunting can be carried to extremes. The keen business man or the keen business organisation will get volume by taking a fair profit on every unit sold and by sound, aggressive salesmanship." In order to show the danger of using the easy key of price-cutting to obtain increased volume, the following table is published in the "Budget":—

On a 25 per cent. margin of profit a cut of—

5	p.c. requires	18½	p.c. more volume.
8	"	35½	" " "
10	"	50	" " "
12½	"	75	" " "
15	"	112	" " "

The Government, on their own showing, propose that if they are given the whole of the insurance business—they claim to have practically half of it now—their costs will go up 150 per cent.; whereas there should be a reduction of 10 per cent. Yet they ask Parliament to give them a monopoly. This State cannot afford to pay more in compensation than other States. Owing to the various States working under different Arbitration Acts, Western Australia is now paying more in wages than the other parts of Australia. Take the case of Queensland.

Hon. C. B. Williams: Queensland under the present Government, or Queensland under the previous Government?

Hon. G. W. MILES: Queensland has a State monopoly in this respect, I am informed. But in Queensland there is neither free hospital treatment nor free medical treatment, and the Queensland Commissioner has the right to deduct medical expenses from the compensation payment. That is all I ask for here. I ask for that amendment to be made in the Workers' Compensation Act, not in this Bill. The result would be a reduction of cost to the employer, not to the insurance companies, who merely collect from the employer. It is industry that has to pay these charges, which are the means of creating additional unemployment in the country.

Hon. C. B. Williams: Is it not better to pool our resources?

Hon. G. W. MILES: The reason is, as I have indicated, that the Government cannot run a poultry farm, let alone an insurance business.

Hon. C. B. Williams: They run the State Insurance Office cheaply.

Hon. G. W. MILES: Nothing of the sort. The figures show that the receipts are practically paid out in accident compensation.

Hon. C. B. Williams: The private companies showed a loss, and the State Insurance Office, with 30 per cent. lower charges, showed a profit.

Hon. G. W. MILES: I will deal with that if the hon. member will allow me to continue. I will show that with competition better terms are obtained than with State monopoly. I have already mentioned that under the Bill there is power to fix a rate and then, if there is not sufficient in the fund to meet claims, another assessment may be levied on the employer. With competition, premium rates can be reduced. Private companies—I am not speaking of the underwriters, but of Lloyds and of another company operating in this State—are prepared to take into consideration the personal equation. That is to say, under the Government an employer in any industry would have to pay the rate fixed by the Government, say, 250s. per cent. for an aerated water factory. With private insurance companies the employer who took every precaution to protect his employees would get a cut rate, probably half the ordinary rate, whilst the employer who did not take such precautions would have to pay the full rate. That is the condition of things under competition. With the Government in control, everyone must pay the same rate. I will now deal with the compensation ruling in this State. Western Australia pays more by way of compensation than other parts of the world, and the point is that we cannot afford to do so. We have been told—

Under our Act, the compensation for the loss of a leg is £600, whereas in the Queensland schedule the amount provided is £362 10s. . . . After a long investigation it was decided there (in America) that the loss of a leg at the hip, or an arm near the shoulder, should be compensated at the rate of 50 per cent. of the maximum amount allowed. That

is the provision in America and Canada today. On that basis our schedule should provide for £375.

The Leader of the House quoted what occurred in the United States. Most countries which have workers' compensation exempt farm hands, and Canada, domestics. That is another reason why charges elsewhere are lower. Again, for the loss of arms the Queensland average is £122, whereas our Western Australian average is £240. Can Western Australia afford those payments? Such things cause a great deal of unemployment. We are burdening industry too heavily. A number of the Australian States do not pay anything for the loss of joints or toes.

Hon. C. B. Williams: Will you agree, then, to reduce that payment and increase the payment for the loss of legs and arms?

Hon. G. W. MILES: That might be considered. It would be more equitable for the man who was totally disabled, or who had suffered a major injury that the amount of compensation in such case should be increased and the figure for the minor injuries reduced. Mr. Drew, when discussing the alterations to the Second Schedule, spoke about interfering with suffering humanity; at least that, I think, is the term he used. I believe medical men use that expression when criticising insurance companies; they declare that the companies make a profit from suffering humanity, and I can add that the medical profession live on suffering humanity. It has reached the stage now that one must have a substantial banking account before he can have an operation even for appendicitis. If I had anything the matter with me, I would think seriously about consulting a lawyer before approaching a medical man, although in either case the charges would be very high. Mr. Kitson referred to the introduction of the Bill as being a retrograde step. I agree with him, and I trust the House will not pass the second reading. If it should reach the Committee stage, there will be many amendments made judging by the number that are already on the Notice Paper, and then the Bill will go to a conference, and the conference will not agree. Then it will be the Bill, the whole Bill, and nothing but the Bill, and it will be said for all time that the Legislative Council,

which has always opposed State trading and State monopolies, had agreed to a measure of this description. I ask members to consider the matter seriously, and by voting against the second reading show that they do not approve of the principles contained in the Bill. As to my friends, the members of the Labour Party, I had some doubt as to whether they would be on deck when the division was taken. I expressed that doubt earlier in the proceedings, but now I consider that they are determined to vote against the second reading.

Hon. C. B. Williams: Are you referring to the Labour members here?

Hon. G. W. MILES: Yes. I had some doubts as to whether what they had said was merely propaganda.

Hon. C. B. Williams: You need not worry about us; we will vote all right.

Hon. G. W. MILES: I admire the hon. member because he says what he means, and I agree with his criticism and his reply to the Leader of the House who asked him to sink his convictions by assisting to put through a measure, the principle of which he was against. In spite of all the reductions that are taking place in Australia, and the efforts that are being made to bring down the cost of production and to restore confidence, we find that the £400 wage limit has been increased to £500. My idea is that the amount should be reduced instead of being increased, unless the Government are prepared to insert the amendment I have suggested, that is, to provide for the payment for the doctor's services and hospital attention from the compensation. There should be a 20 per cent. reduction instead of an increase of 25 per cent. I also agree with Mr. Kitson that the period before the payment of compensation should be three days instead of seven. Payment could then be made practically at once from the compensation instead of out of the fund.

Hon. C. B. Williams: It would be cheaper.

Hon. G. W. MILES: Particularly if the hospital and the doctor were paid from the compensation.

Hon. C. B. Williams: By your method you will further reduce compensation.

Hon. G. W. MILES: Not if you pay the doctor and the hospital fees from the compensation.

Hon. C. B. Williams: The patient has to pay.

Hon. G. W. MILES: I want to see equity and justice done to the worker and to suffering humanity, just as much as does any other member of the House.

Hon. C. B. Williams: We do not want to be too socialistic.

Hon. G. W. MILES: No, we need a little competition. With regard to the employers who are not in a position to pay, and who, under the Bill will be obliged to pay, there should be a scheme submitted to provide for Government hospitals dealing with their employees' cases, and if necessary, those hospitals could be subsidised. It has been suggested that a commission consisting of the Government Actuary, a representative of the underwriters and a business man should be appointed to fix the rates. But the key to the position is that the doctors and hospitals are to receive payment out of the fund instead of from the compensation.

Hon. C. B. Williams: Put up the hospital tax and then guarantee accommodation for everybody.

Hon. G. W. MILES: Yes, that would do, but the Medical Association say that industry should restore the worker's health, just as you have to keep machinery in good order. A certain amount should come out of the hospital fund, and the hospital tax could be raised for that purpose. I do not know whether the £500 specified in the Bill will apply to members of Parliament whose salaries will have been reduced to below that figure when the additional 10 per cent. is agreed to. Who, then, will pay that? Will the taxpayers insure members of Parliament?

The DEPUTY PRESIDENT: Order! The hon. member is straying somewhat.

Hon. G. W. MILES: I do not think I am.

The DEPUTY PRESIDENT: Members of Parliament are not workers within the meaning of the Act.

Hon. G. W. MILES: I am sorry; I thought that members of Parliament would secure insurance at the expense of the country. Some years ago I used the phrase "Do we want to insure the worker from the cradle to the grave?" That was on the occasion of the introduction of the amendment to the Workers' Compensation Act. At that time the House was misled by our dear old friend, the late Dr. Saw. We were under the impression that all doctors were like Dr.

Saw, but the passing of the Act proved that there were many in the profession, as there are in other walks of life, who will take advantage of anything that comes their way. That has been proved by the figures I have quoted. Let me give an instance of what occurred at Midland Junction recently as a proof of my argument that the Bill needs to be amended. During the luncheon hour a worker was watching a cricket match, and the ball struck him in the eye. As the law stands—and it is an anomaly that was never intended to exist—the man was entitled to compensation. The whole thing is a farce. It was never intended by Parliament that compensation should be paid in the event of an accident of that description. When the Act was first introduced it did provide that compensation was payable in the event of an accident happening from the time a man left his home until he returned at night. He could go to a football match or call at a hotel on the way to work and have two or three spots, as some of us do, and then receive compensation for any accident that might befall him. The whole thing is ridiculous. When Mr. Seddon was speaking, Sir Edward Wittenoom asked what Lloyds had done, and whether they had invested any money in the country. I desire to quote Lloyds because they are not in the combine, and I wish to have this put on record. Lloyds are out to compete for any business that is offering.

Hon. C. B. Williams: Only the good business.

Hon. G. W. MILES: The Government re-insure with Lloyds, not compensation but other business. Apparently they cannot afford to take the risks themselves. This is a letter from Lloyds which I wish to read—

We wish to bring to your notice certain facts which have not been fairly stated in the debates on the above Bill. Lloyd's Underwriters transact a very important portion of the insurance business generally, including workmen's compensation business, in this State. It is well known that the rates charged by Lloyds for all classes of business are considerably less than those charged by competitors. In fact, Lloyds transact workmen's compensation business at lower rates than those quoted by the State office. Although Lloyds is the largest insurance organisation in the world—our Company, as the local broker for Lloyds—has never been consulted by the Minister on this subject of the Bill. On the contrary we have been grouped with the tariff companies although the advantages offered by our highly important organisation are well known to the Government and to the Government Actuary. We have no connection

with the Tariff Association, our figures definitely show that we benefit industry to a degree not even claimed before the proposed monopoly. Lloyds is famed for the flexibility of its insurance market. It is well known that any reasonable risk can be underwritten there provided sufficient information is available for the guidance of underwriters. The Minister complains of the companies' refusal to quote for miners' phthisis risk. This statement is unfair to our company as we have never been asked to quote on this business or approached in any way by the Minister. If the Minister in charge of the Bill is prepared to give full statistical information which the officials responsible for the collation of data on the subject have prepared, we are willing to submit the whole matter to London for consideration.

Hon. Sir Edward Wittenoom: Why go to London?

Hon. G. W. MILES: I will tell the hon. member if he will allow me to finish. The letter goes on—

We cannot bind ourselves or promise that Lloyds will quote for the business—in fact we know this class of business will be very unpopular amongst underwriters—but if the Bill is framed along reasonable lines, with particular reference to the Third Schedule, and full data is made available, we would submit the matter to London with some confidence, provided that present conditions under which the Act is administered by the State office are retained. We might state here that we believe strongly that miners' phthisis risks are not insurance risks at all. If it is desired to give the mine worker adequate protection against "dust" diseases, proper protection can only be obtained through the soundly based provident fund. Insurance only attempts to provide against contingencies, not certainties. It will be said that we are not entitled to information concerning third schedule risks. We claim that no single private company could profitably set up the intricate organisations in and specially skilled staff required to do this business in the hope of securing one or two mining companies' accounts. It is said in support of this Bill that the Government desires to benefit industry. This object is achieved by eliminating the competition of our underwriters. It is "achieved" by perpetuating the ills of rating wholly by class, vide Sections 19 to 21 of the Bill. Lloyds not only underquote the State office and other competitors, but rate on individual results as well as by classes. This advantage will be lost to the careful employer under the Bill. Our underwriters allow the factory which is well conducted in every way, lower premiums than one which is not so well conducted. It is alleged that the eyes are picked out of the business by private concerns. Industry constantly complains that the good risks are made to carry the bad ones in insurance. The Minister has claimed that this Bill will enable the rating to be struck on the merits of the case. In other words, employers will be rated on re-

sults. If rates are arrived at on the basis of results, then the charge of picking the eyes out of the business does not hold water; but apparently the advantage claimed for the benefit of industry disappears in practice under the clauses cited. It is a commercial precept that efficient management should secure its own benefits. The charge that the companies pick the eyes out of the business by refusing specific classes of business, falls to the ground for the same reasons. We are freely criticised because we do not employ a large staff and erect palatial buildings. The first charge is fatuous as we must obviously maintain a staff adequate for the business we conduct. With regard to the second, the actual office space occupied by our organisation is more highly rated than a very large majority of the tariff companies. Lloyds was "rationalised" long before the term was coined in its modern sense. The funds of our underwriters are not tied up in frozen assets of any description, but are invested in negotiable trustee stock. The liquid funds total some £40,000,000, whilst visible and invisible reserves amount to a colossal sum. The committee of Lloyds hold very many millions of pounds worth of Australian stock. Of course these holdings have played a very important part in providing funds for public works in all parts of Australia. This refutes the statements also freely made that our moneys go out of Australia entirely. It should be stated that no insurance organisation could be said to offer wholly satisfactory security to its policy holders under modern conditions, unless its funds are held in more than one country. We might say that in addition to bond holdings, there are large liquid funds in Australia. In the event of the Bill not being entirely thrown out, we desire to urge our claims that Lloyds underwriters be permitted to transact workers' compensation business in order to continue giving its real and beneficial assistance to industry, and to avert the dangers of monopolistic control.

This circular has been sent to members. I have made it my business to get a little more information, and have here a further statement from Lloyds in reply to some of the criticisms aimed at this organisation—

Before an individual can become an individual member of a syndicate at Lloyds, he must show that he possesses a clear estate of at least £100,000 liquid assets. He must deposit with the committee of Lloyds £20,000 cash and find a guarantee of an equal amount. In addition, he must make a contribution of capital to his underwriting syndicate which is based in the following manner:—According to the total capital of a syndicate, the amount of premium business which a syndicate can write is determined actuarially, and no syndicate is permitted to write any insurance in excess of the amount fixed by the actuary at Lloyds; therefore each member of the syndicate must maintain his capital contribution at a total equal to his original contribution. If an underwriting syndicate

makes a loss, each member of the syndicate must pay in cash to meet it. If a limited liability company does make a loss, it is made good in one of the following ways—(a) by drawing on reserves, if any; (b) by raising fresh capital (not always possible). Failing these resources the funds of the company disappear. No underwriting syndicate can continue to do business unless it receives a clear certificate once every three months that its underwriting accounts have been approved under Lloyds' special Audit Act.

Hon. C. B. Williams: What bearing has that upon the Bill?

Hon. G. W. MILES: We want this company to have an opportunity to do the business. They are prepared to do it at a lower rate. This will show that it is just that these insurance companies should have the opportunity to do the business. As I have indicated, the insurance companies have had to put up their £5,000, with the definite understanding that they shall be privileged to do any business in the country with the exception of life insurance.

The Minister for Country Water Supplies: They deposited nothing that would give them the privilege to do business.

Hon. G. W. MILES: This undertaking is given in the Bill.

The Minister for Country Water Supplies: No.

Hon. G. W. MILES: It is an undertaking that they shall have the right to do any class of business in the State with the exception of life insurance.

The Minister for Country Water Supplies: That has nothing to do with the license fee.

Hon. G. W. MILES: It is an undertaking of good faith that has been received from the company. It is a confidence trick on the part of the Government to deprive the companies of this business.

Hon. J. Ewing: If they do not take the business, what will you do?

Hon. G. W. MILES: What business?

Hon. J. Ewing: The mining business.

Hon. C. B. Williams: They have failed in competition.

Hon. G. W. MILES: They have not failed. Will the hon. member allow me to finish my quotation?

Hon. C. B. Williams: It has nothing to do with the Bill.

Hon. G. W. MILES: The communication from Lloyds continues—

Legally the various underwriting syndicates of Lloyds are not responsible for debts of

any particular underwriting syndicate, but in practice very substantial sums of money have been found by the underwriters generally in order to maintain the good name of Lloyds unblemished. However, since the Harrison case it is not thought possible for a syndicate to become embarrassed. Lloyds underwriting syndicates contest at law any case which is an attempt at fraud of the terms of an insurance policy. The Harrison case was proved to be a fraud. The contesting of such cases is only on all fours with the practice universally adopted by the tariff companies.

I have quoted this letter to show that Lloyds are a substantial institution, and that they have invested their money in Government stocks. They have as much right to participate in business in this State as has any other insurance company that happens to have some bricks and mortar in each of the cities of Australia.

Hon. J. Ewing: Why do they not insure?

Hon. G. W. MILES: They do insure.

Hon. J. Ewing: They do not insure the same things.

Hon. C. B. Williams: They take the good risks.

Hon. G. W. MILES: They are prepared to quote.

Hon. C. B. Williams: Why do they not quote for gold mining and timber risks?

Hon. G. W. MILES: I am not here as an advocate for Lloyds, more than for any other concern. Lloyds have shown that they are out for competitive business with the State. The other companies would be out for competitive business if given the opportunity and if not hampered. They should have this right, and the State should not enjoy a monopoly.

Hon. J. Ewing: Why do they not quote?

Hon. G. W. MILES: Quote what?

Hon. J. Ewing: For the timber workers' insurance and the mining business.

Hon. G. W. MILES: Of course they will quote if given the opportunity to do so. The hon. member is evidently one of those who want to commit the House to a Government monopoly. He wants to deprive private enterprise, that he stood up for over a number of years, of this type of business, and he is now going to sink his convictions because the Government have brought down a Bill like this.

Hon. J. Ewing: A compulsory Bill.

Hon. G. W. MILES: It is a monopoly Bill. Every member should examine his conscience and ask himself whether he can honestly vote for the measure.

Hon. C. B. Williams: What we said last week does not matter.

Hon. G. W. MILES: It matters to me. The companies want to revise their schedules, not only for workers' compensation, but for all forms of insurance, and bring down their overhead costs.

Hon. C. B. Williams: So as to be able to survive.

Hon. G. W. MILES: One member said the Bill was good in parts, like the curate's egg. I will tell members what happened with regard to some very good country eggs. Last Saturday week my boy sold some eggs at 10d. a doz. I told him he had better bring me a few dozen and I would see what we could get for them in town. They were fresh eggs straight from the country, not political eggs. When I opened my mail and saw an invoice for 30 doz. eggs, what did I find?

The DEPUTY PRESIDENT: Is the hon. member dealing with eggs in order to connect his remarks with insurance risks referred to in the Bill?

Hon. G. W. MILES: The charges made by the insurance companies are similar to those made by dealers who dispose of eggs. In the case I cite, the grower received 10d. and the consumer had to pay 2s. 1d., all within three days.

Hon. J. M. Macfarlane: A bad seller and a bad buyer.

Hon. G. W. MILES: There is no use denying that too many people are living on the primary producers. We want their rates brought down. The commissions paid by insurance companies to their agents should also be reduced.

Hon. C. B. Williams: The Bill will practically eliminate them.

Hon. G. W. MILES: This Bill is brought down partly because the companies did not take action previously. Although I have no brief for any company, I am firmly opposed to a State monopoly. I hope the House will vote with me in opposing the Bill. I have a colleague who is also opposed to the Bill, and I tried to get a pair for him. I was promised a pair and then was asked to relieve the pair of his obligation, and this I have had to do. This is a non-party House, and it is going to be shown in the division that it is a non-party House. We should be able to obtain a pair for Mr. Holmes who is away. In another place where party politics are rife, the member of one party

will always pair with the member of another.

The DEPUTY PRESIDENT: Order! The question of pairs is one for private arrangement between members.

Hon. G. W. MILES: I know, but I wanted to indicate the position we are in.

Hon. C. B. Williams: Your friend may have gone away to dodge voting on the question.

Hon. G. W. MILES: I have it in black and white that he wants to vote against the measure. I cannot pair him with the hon. member because both are voting the same way.

Hon. C. B. Williams: For once in a way we are together.

Hon. G. W. MILES: These are the main reasons why I intend to vote against the Bill. I am opposed to State monopoly and I am opposed to the Government depriving the companies of their rights, as they understood them to exist when they put up their deposits of £5,000. The companies thought they would be able to take part in any business in the State except life insurance. When the Bill is defeated, as I hope it will be, I want the Government to amend the Workers' Compensation Act, and to bring us under the same conditions that exist in Queensland with regard to the payment of medical and hospital fees out of the compensation, instead of out of the fund. If that is brought about, the charge upon industry will come down.

HON. G. FRASER (West) [5.30]: Like the previous speaker, I intend to vote against the second reading. I assure the hon. member that when members of this Party definitely state their intention of voting against a measure, there need be no fear of their not doing so. During the last fortnight I have listened attentively to the debate, but have heard very little indeed said about workers' compensation. The discussion has resolved itself into an argument whether there shall be State insurance or private insurance. The Title of the Bill, however, refers to compensation of workers for injuries suffered. So far, I have heard but little dealing with that phase of the question. To me the manner of insurance is a secondary consideration; I am more concerned with what the benefits to the worker are to be. I have not yet heard any hon. member endeavour to justify the various reductions. At this stage I propose to deal

only with clauses vitally affecting the worker. The first provision I shall touch on is Clause 36, Subclause 2, paragraph (a), dealing with waiting time. Few hon. members have touched that question, except to say that they favour the proposal. I am against it. Hon. members will be misled if they allow that provision to remain. Under the present Act an injured worker is paid compensation from the time he receives his injury. Under the provisions of the Bill a worker will lose three days unless he is off work for seven or eight days. Members may think a saving will result, but they must not forget that human nature is bound to intrude itself. Instead of a saving resulting, it will be found that many workers who now remain off for only a day or two days, will be off for the stipulated period of a week in order to recoup themselves for the first two or three days of incapacitation. I am surprised that friendly societies and other bodies of that description have not protested against that phase of the Bill. Most workers, for their own safety, become members of some friendly society or other; and if the Bill passes as it stands, there will be an extra drain on the finances of such societies; because they will have to carry a man for a week where now they carry him for only two or three days. Again, various unions have funds to compensate workers who are off through injury or sickness. Their funds also will suffer if this provision remains in the Bill. Probably hon. members think all men are honest and will stay away only two days or three, as may be necessary; but the human element will intrude. If a man can obtain as much by staying away for a week as by staying away for only two or three days and working the rest of the week, is it not reasonable that he will make sure of being perfectly fit before he returns to work? The tendency will be to stretch injuries a little in order to secure payment for the first three days. Under the existing Act men frequently go back to work before they are really fit to do so. Under this Bill the tendency will be to make them stay away the full time. If the clause stands, the burden on industry, instead of being lowered, will be increased. As to medical expenses, I well remember their being limited under a former Act to £1. Under those conditions many people suffered permanent injury because of the inadequate provision. Fancy £1 being allowed

for medical expenses! Could a man go to a doctor with an injury likely to be permanent when the Act allowed only £1 for medical expenses? As a result of that state of things many people have to carry injuries for the remainder of their lives. The £100 allowance under the existing Act is reasonable. No hon. member yet has shown that the £100, simply because it is there, is being abused. The medical fraternity declare that they are not concerned about the £100, medical fees in accident cases ranging mostly from two or three guineas to 15 or 16 guineas. Members should weigh the matter seriously before voting to reduce the £100 to £52 10s. True, the Bill provides that if the £52 10s. is not sufficient, more may be granted. But is a sufferer from a serious accident to wait while application is made to the board under the Bill for an extra allowance in order that a serious operation may be performed, or the necessary medical care given? Such a proposal is ridiculous. I trust that the clause will be amended in Committee. I repeat, no hon. member has yet stated that the difference between £100 and 50 guineas has led to imposition. Nor has any hon. member yet attempted to justify the reductions proposed in the Second Schedule with regard to loss of limbs. No one has sought to justify the reduction from £600 to £475 for the loss of a leg above the knee, or the reduction from £562 10s. to £450, and in another case to £400, for the loss of a leg below the knee, or the reduction from £675 to £475 for an arm at or above the elbow. Then there are the reductions from £600 to £450 in one instance and £420 in another for the loss of the lower part of an arm. No hon. member has tried to justify the difference of £30 in respect of the two portions of the arm. No member has tried to justify the reduction from £375 to £270 for loss of sight of one eye.

Hon. Sir William Lathlain: The Minister gave you a doctor's justification.

The DEPUTY PRESIDENT: Order! I should like to remind the House, in the words of one of my illustrious predecessors, that all interjections are disorderly. When an hon. member interjects out of his seat, interjection becomes highly disorderly.

Hon. G. FRASER: Another reduction which no hon. member has yet justified is that of £600 to £450 for the loss of hearing.

Hon. C. B. Williams: Which do you prefer—loss of hearing, or loss of a limb?

Hon. G. FRASER: If I had my choice, I would rather lose my hearing. It might be very handy in this Chamber sometimes. I trust that some hon. member who has not yet spoken on the measure will, when addressing the House, deal with these items, which I regard as the most important in the Bill. The only attempt to justify the decreases, so far as I know, is that the burden on industry may be relieved. However, no hon. member has shown how the burden is to be lifted from industry. In introducing the Bill the Leader of the House spoke of the saving of approximately £150,000. But how is that saving to be brought about? No hon. member has yet stated that.

Hon. J. Nicholson: I think it will be £150,000 on instead of off.

Hon. G. FRASER: It is claimed that if the Bill passes, £150,000 will be saved to the industries of Western Australia.

Hon. J. Nicholson: For how long?

Hon. G. FRASER: I do not know for how long, or whether it will ever be brought about. The only suggestion which has been made is that insurance premiums will be lighter. That argument has been put up by members who intend to vote for the Bill and by other members who intend to vote against it.

Hon. J. Nicholson: Do you think it will be saved by re-assessments?

Hon. G. FRASER: It has been suggested that the proposed alteration of the Second Schedule will induce private insurance companies or the State Insurance Office to reduce premiums by, I think, 30 per cent.: but hon. members should bear in mind that that is subject to a qualification, certain amendments in the Bill being required.

Hon. J. Nicholson: Do you agree to those amendments?

Hon. G. FRASER: There are numerous amendments on the Notice Paper to which I am prepared to agree, but there are others to which I certainly will not agree.

Hon. J. Nicholson: Will you agree to Sir William Lathlain's amendment?

The DEPUTY PRESIDENT: Order! The amendments will be dealt with in the Committee stage.

Hon. G. FRASER: I take it the 30 per cent. reduction represents the saving of £150,000 to industry. Hon. members are well aware that the insurance companies

claim they were carrying on business at a loss or, if not at a loss, without profit. If I know anything about private companies, when they are carrying on business at a loss or without profit, their first aim is to rectify that position. The same thing will happen under the Bill. I cannot understand how the Minister claims that there will be a saving to industry of £150,000. He suggested that if the State Insurance Office handled the business, the premiums would be so low that there would be that saving to the community. I am not prepared to take the risk of agreeing to the decreased compensation amounts in order to save industry to that extent. I desire to retain the compensation payments provided in the existing schedule, more particularly because, as Sir William Lathlain pointed out, whatever amount of compensation we may provide will not compensate a man for the loss of his limb. If a man is engaged in an industry, that industry should compensate him adequately for any injuries he may receive in the course of his employment. I trust the House will give serious consideration to the various phases of the Bill, and to those members who are wavering in the hope that when the Bill has passed the second reading stage they will be able to secure the amendments they desire in Committee, I would say that they should not allow the Bill to reach even that stage. Those who vote to allow the Bill to pass the second reading stage will find themselves confronted with a divergence of opinion regarding the amendments they have in mind. Members of the Labour Party in this Chamber will certainly be against some of the amendments those hon. members contemplate. One member said the Bill resembled the curate's egg, but it appears to me that it is more like two curate's eggs, because the part that appeals to Mr. Miles, for instance, as good, appears to me to be bad, and those parts which I regard as good, Mr. Miles and those who think with him, consider unacceptable. I would be more inclined to refer to the Bill as a china egg in a nest; it is not what the fowl really thinks it is. The Bill is supposed to deal with workers' compensation, but I regard it as a Bill to reduce the benefits that the workers already have. I oppose the Bill, and trust it will not go further than the second reading stage.

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

BILL—DEBT CONVERSION AGREEMENT.

Received from the Assembly and read a first time.

BILL—STATE MANUFACTURES DESCRIPTION.

Further Recommital.

On motion by the Minister for Country Water Supplies, Bill again recommitted for the purpose of further considering Clauses 2, 3, 6, 11 and 13.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 2—Definition:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in line 4 the word "made" be struck out and "wholly produced or wholly manufactured" inserted in lieu.

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

Clause 3—State mark of origin: Grade and quality marks:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in lines 2 and 3 of paragraph (a) the word "wholly," inserted at a previous sitting, before "produced" and "manufactured," respectively, be struck out.

The CHAIRMAN: The insertion of the word "wholly" in the definition clause renders it unnecessary for the word to appear in the later clauses of the Bill.

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

Clause 6—Offences:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in line 1 of paragraph (a) the words "not wholly" and in line 2 the word "wholly," inserted at a previous sitting, before "produced" and "manufactured," respectively, be struck out.

Amendment put and passed.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in line 3 of paragraph (b) the word "wholly," inserted at a previous sitting, before "produced" and "manufactured" be struck out.

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

Clause 11—Powers of inspectors:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in line 6 of paragraph (d) after "documents" the words "except trade formulae" be inserted.

The amendment deals with the point raised in Committee last evening. There was a misunderstanding between Mr. Franklin and myself. When dealing with the Bill in Committee at an earlier stage, I said I was prepared to submit an amendment that was intended to enjoin secrecy upon inspectors, but Mr. Franklin thought that I intended it to cover the position regarding trade formulae. A spirited discussion took place last evening on this question, and the amendment will make the clause workable. If the words "letters and documents" were excised, it would not be workable.

Hon. J. NICHOLSON: I have discussed the matter with the Minister, and while I desire to assist him as far as I can, I still foresee objections to the retention of the words "letters and documents." Matters of a secret and private character may be contained in letters or documents, and I do not regard it as fair that they should be liable to inspection under such a measure. For that reason, and in an endeavour to meet the Minister, I suggest that there be added after "trade formulae" the words "and private letters and documents." The Minister might accept that.

The Minister for Country Water Supplies: Yes, I will accept that.

The CHAIRMAN: The composite amendment would be rather crude.

Hon. G. Fraser: It would all depend on the interpretation of "private."

The CHAIRMAN: It is for the Committee to decide, but I think the amendment is very crude. The inspector is to have access to letters and documents, but not to private letters and documents.

Hon. G. FRASER: Would not the manufacturer be entitled to say that any letters or documents were private? They could all be made private by the simple declaration that they were private.

Hon. J. T. FRANKLIN: I suggest the Committee first take into consideration the amendment moved by the Minister. Then later we could give attention to Mr. Nicholson's suggested amendment. I agree that there may be certain private letters which should not be perused by the inspector, but I do want the Committee to accept the amendment regarding the trade formulae. Incidentally, I do not think I misunderstood what the Minister said at an earlier sitting about bringing in this amendment. At all events, I am glad he has brought it down, even at this late hour.

The CHAIRMAN: I think it will be better if we take first the Minister's amendment to add the words, "except trade formulae." After that Mr. Nicholson can move his amendment, which will be perfectly in order.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That after "formulae" the words "and letters and documents containing any information or particulars of a private or secret nature relating to the process of manufacture by such person" be inserted.

There are, I suppose, in every business, letters which no business man would care to have perused by an inspector. I do not think the amendment will in any way weaken the general power it is desired to give the inspector. All business books and ordinary business letters will still be open to his scrutiny.

The MINISTER FOR COUNTRY WATER SUPPLIES: In the absence of any definition, how shall it be determined whether or not a letter or document is of a private and secret nature? If we had in the Bill a definition of "private" there would be no objection to the amendment.

The CHAIRMAN: What Mr. Nicholson desires, presumably, is that any letter or document not relating to the manufacture, acquisition or purchase of goods shall be exempt.

Hon. J. Nicholson: Even letters relating to the manufacture of goods might be of a secret or private character.

The CHAIRMAN: Well, I will leave the Chair and so afford an opportunity for Mr. Nicholson to confer with the Minister as to this amendment.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. NICHOLSON: The amendment adopts the suggestion made by you, Mr. Chairman. It will limit the class of letter and give full scope for inquiry by the inspector.

The MINISTER FOR COUNTRY WATER SUPPLIES: I have no objection to the amendment. It will meet the wishes of members who are trying to safeguard the interests of firms who have secret formulae. It will also meet the wishes of the department and give inspectors access to documents necessary to safeguard the measure. In any event, this legislation will be voluntary, its object being to foster local goods.

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

Clause 13:

Hon. J. NICHOLSON: I move an amendment—

That after "vouchers" in paragraph (b) the words "letters or documents (excepting trade formulae and letters and documents containing any information of a private or secret nature relating to the process of manufacture by a person as aforesaid)" be inserted.

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

Bill again reported with further amendments.

MOTION—BUDGET ECONOMIES.

Debate resumed from the previous day on the following motion by Hon. Sir Edward Wittenoom:—

That in the opinion of this House steps should be taken to suggest to the Treasurer economies that may be made to assist in balancing the Budget for 1931-32.

HON. J. T. FRANKLIN (Metropolitan) [7.42]: The motion suggests providing opportunities to make proposals to the Treasurer to secure economies during the present financial year. I am quite in accord with Sir Edward to that extent, but I cannot go much further in support of his motion. The hon. member proposes a curtailment of

the education system. I take it he has no desire entirely to abolish the education system; what he wants is to curtail it until the present financial difficulties of the State are overcome. My belief is that the education of the young people should not be curtailed in any way. Upon those who are receiving education to-day, the future of the country will depend, and our aim should be to give them the best possible education. Referring back—I was going to say to Noah, but I shall not go so far as that—say 40 or 50 years ago, the children were without opportunity to secure sufficient education. In those days parents had to pay school fees for the primary education of their children and had also to provide books.

Hon. J. Nicholson: Our friend Noah had a rather bad time.

Hon. J. T. FRANKLIN: I cannot speak of the days of Noah. Perhaps the hon. member can. I know that he had sense enough to enable him to get in out of the wet.

The DEPUTY PRESIDENT: Does the hon. member intend to connect Noah with the suggested economies?

Hon. J. T. FRANKLIN: It was Mr. Nicholson who brought the matter up. We should use every endeavour to assist the children of poor parents in particular. We are looking to them to carry on the affairs of State in the future, and should put no obstacles in their way to get a thorough and up to date education.

Hon. Sir Edward Wittenoom: Did I suggest putting any obstacles in their way?

Hon. J. T. FRANKLIN: I know the hon. member is not trying to do away with educational facilities, but he has suggested drastic economies. I do not intend to support the motion, because I am not in favour of his arguments as they affect education. Many prominent people in this State are beholden for their positions to the opportunities they have had under our State educational system.

Hon. Sir Edward Wittenoom: I am not opposed to State high schools; I merely desire to suspend them.

Hon. J. T. FRANKLIN: I am not in favour of suspending any of the State high schools, or any other schools. I have no desire to debar the youngsters of to-day from obtaining the fullest amount of education that is available.

Hon. Sir Edward Wittenoom: How are you to get the money?

Hon. J. T. FRANKLIN: My answer to that is, where are we to get the brains in the future if we do not look after the children to-day? If we neglect them we shall be responsible for a big setback to the State. No doubt certain economies can be effected at once. I will suggest one now. We know that many speeches that have been delivered on this motion have all appeared in "Hansard."

Hon. J. M. Drew: It has cost £80 already.

Hon. J. T. FRANKLIN: It would mean a certain saving of expenditure if some of the speeches now printed in "Hansard" were curtailed.

Hon. J. Nicholson: Sir Edward Wittenoom suggested that. You will support that recommendation?

Hon. J. T. FRANKLIN: Yes, but I strongly oppose any suggestion to curtail the present educational facilities. We older men in the community had not the same opportunity to become educated as the youngsters of to-day.

Hon. Sir Edward Wittenoom: You could not have been so successful as you have been but for the education you received.

Hon. J. T. FRANKLIN: I have evidently been given a certain amount of brains, and have tried to obtain the fullest advantage from them. This may be one reason why I have been successful in my own way. May I return the compliment, and say to Sir Edward that it was his brains that brought him to his present position?

Hon. J. Nicholson: What about the Arbitration Court and State trading?

Hon. J. T. FRANKLIN: The Arbitration Court should be abolished for the time being. The court does not carry out the obligations it was intended to carry out.

Hon. C. B. Williams: In what way?

Hon. J. T. FRANKLIN: In many ways. In the event of a dispute, a round table conference of the parties concerned should immediately be called.

Hon. J. Nicholson: The mover suggested that.

Hon. J. T. FRANKLIN: At such a conference it would be possible to reach finality more quickly, and for both parties to derive a benefit, than would be the case under the present Arbitration Court system. The court consists of a judge and two assessors. On how many occasions have these gentlemen arrived at a unanimous decision?

Hon. E. H. Harris: Once or twice.

Hon. J. T. FRANKLIN: In the court, cases are dealt with by advocates, but at a round table conference the parties immediately concerned could get together and thrash out every question. That is the sort of thing we should do to-day. Not in any circumstances would I countenance a reduction of the education vote. Those who have had to go through life without some education realise what they have lost, and how much depends upon our young people receiving the fullest possible amount of education. Far from cutting down the expenditure I would be more inclined to increase it where necessary.

Hon. J. Nicholson: Do you think economies could be effected in State trading?

Hon. J. T. FRANKLIN: We have passed an Act giving the Government authority to dispose of State trading concerns. No doubt certain economies could be effected there.

Hon. J. Nicholson: It would be a good recommendation to make.

Hon. J. T. FRANKLIN: In view of the passing of the Act, there is no need to make such a recommendation.

Hon. J. Nicholson: But it could be urged.

Hon. J. T. FRANKLIN: Yes. No doubt some of the State trading concerns could be sold, but only at a loss. It may be foolish to continue a business that does not pay, but a business man would always take into consideration the time and the opportunity for the disposal of that portion of the business. I am sorry Sir Edward Wittenoom has specialised in the curtailment of the expenditure on education. It may be that other economies could be effected. My idea, instead of making individual suggestions for economy, is to carry out the principle of a round table conference, and to get the whole of the 80 members of Parliament together and see what they could suggest collectively by way of economy. Let us have a combined meeting, as a result of which no doubt many suggestions would be made that would prove of advantage to the State.

Hon. C. B. Williams: You mean you would have the employers say they will shut down their industries if the workers do not take what they offer. That would be the effect of carrying out your idea.

Hon. J. T. FRANKLIN: The hon. member is putting words into my mouth. I have

never suggested such a thing. No doubt he is expressing himself as he feels.

Hon. C. B. Williams: On the facts as I find them.

Hon. J. T. FRANKLIN: I was never one to ask an employee to work for less than a fair and equitable wage.

Hon. C. B. Williams: They are not all good employers.

Hon. J. Nicholson: You are challenging him.

Hon. C. B. Williams: On behalf of all the employers.

Hon. J. T. FRANKLIN: I have always prided myself on taking an interest in the men who work for me. I do not know whether I am making this speech or whether Mr. Williams is doing so.

Hon. C. B. Williams: I thought I was helping you.

Hon. J. T. FRANKLIN: We are not going to gain much by making too big a reduction in wages.

Hon. C. B. Williams: That is good sense.

Hon. J. T. FRANKLIN: I am not one who has ever paid low wages. I have always paid a little above the award rates. I have done this because it has meant loyalty on the part of my men, and it is that loyalty which has enabled me to be successful in my small business.

The Minister for Country Water Supplies: But suppose the employer cannot pay the higher wages?

The DEPUTY PRESIDENT: I shall have to close down on interjections if members insist on continuing to interject.

Hon. Sir Edward Wittenoom: What do you suggest as an alternative to suspending the State high schools?

Hon. J. T. FRANKLIN: We cannot effect any saving in that direction without doing something detrimental to the rising generation. It would be false economy and would rebound upon us in the future. If we restrict educational facilities, what will happen in a few years? Those who are now being educated will leave off just where they are, and will have no opportunity for advancement. Possibly in the time of Noah that would have been all right, but it is not all right now. I think economies may be possible in respect to the cost of publishing "Hansard."

Hon. J. Nicholson: This motion will do good in ventilating these matters.

Hon. J. T. FRANKLIN: It will do a certain amount of harm if we seriously consider the cutting down of expenditure on education.

Hon. J. Nicholson: The hon. member has only invited suggestions.

Hon. J. T. FRANKLIN: Yes, but the main thread of his speech was to curtail the expenditure of the Education Department. That I will not support. I would rather see even greater facilities afforded to the rising generation.

HON. C. B. WILLIAMS (South) [8.0]: I view this motion with some diffidence, realising, however, that Sir Edward Wittenoom means well, from his point of view, in recommending economies. Certainly the hon. member did not say all the things which have been attributed to him, nor do I think he meant all that has been suggested.

Hon. Sir Edward Wittenoom: Hear! hear!

Hon. C. B. WILLIAMS: Sir Edward said that various economies could be effected by the Government without great loss to individuals. He attacked the Education Department. I realise that higher education is a failure from the aspect of the workers of Western Australia. How many people ever become members of Parliament in this State? Within stated periods there is room for 80 in the State Legislature. And how many of the lawmakers here and in another place have had a University education, free or otherwise? In this House of 30 members the government of Western Australia is represented, since we pass Bills or reject them as we please.

Hon. J. Nicholson: You pay a higher compliment to this Chamber than Mr. Latham did the other evening.

Hon. C. B. WILLIAMS: Whether it is a compliment or otherwise, the fact remains that the Council passes what it chooses, and amends and rejects what it chooses. It stands on its dignity, and declines to allow another place its own way. How many members of this Chamber have received a University education? How many of us had to leave school at 12 or 13 years of age to battle our own way through life? Sir Edward points to himself. Without flattering the hon. member in any way, realising that he is a Conservative, one not much in favour of Labour ideals—

Hon. Sir Edward Wittenoom: Don't believe that.

Hon. C. B. WILLIAMS: I knew the Labour Party before they scabbed on Labour. Anyone can join the Labour Party now so far as I am concerned.

Hon. Sir Edward Wittenoom: I wish to make a personal explanation. The hon. member suggested that I had no sympathy with the Labour Party. I spent £200,000 on labour during my young life, and every man who worked for me was satisfied. So it is no use saying I have no sympathy with the Labour Party.

Hon. C. B. WILLIAMS: I am indeed sorry if I said anything to which the hon. member objects.

The DEPUTY PRESIDENT: The hon. member will accept Sir Edward's assurance.

Hon. C. B. WILLIAMS: Yes, Sir. I was referring to the political Labour Party.

Hon. Sir Edward Wittenoom: I am not hurt by what the hon. member said.

Hon. C. B. WILLIAMS: Sir Edward, if he will throw his mind back, said he thought he was eligible to join the Labour Party. I acknowledge that he is qualified to join the Labour Party headed by Mr. Scullin and Mr. Theodore.

Hon. Sir Edward Wittenoom: I think I would make a good leader of that party!

Hon. C. B. WILLIAMS: I do not know what the Labour Party is now, or what it will be in the near future; but I do know what it is so far as I am concerned. I still represent the workers, the people from whom I sprang. Sir Edward Wittenoom suggested a reduction in the expenditure on education. As a worker I wish to see the children of the workers educated in the highest possible way. I agree that the opportunity for the children of the people to get higher education is indeed small, notwithstanding our boast that education here is free. It is free insofar as children have the ability to proceed from the State school to the high school, and eventually, if their parents are sufficiently financial, to the University; that is, if the child is unable to win a bursary. But to enable a child in Boulder or Kalgoorlie to proceed from the State school to the high school means an expenditure of £8 to £10 on books. How is any working man on the basic wage of 14s. 4d. in Kalgoorlie to meet that expenditure of £8 or £10? It gets back to the position that the money spent on higher education after all goes to people a long way better off than the average working man.

A number of young men and young women have entered the training college with a view to becoming teachers, instead of joining the pay roll as monitors. What has happened to them? During the past 12 months numbers of them have been put out of the training college owing to there being no vacancies for teachers. Thus their tuition in the college represents an absolute waste of money by the State. On the completion of their course they are thrown on the world to do what? Just take a labouring job.

Hon. H. J. Yelland: Can they do the labouring work?

Hon. C. B. WILLIAMS: I do not maintain for a moment that any man in the world cannot do labouring work if only he is physically fit. The fact that a doctor, barrister, solicitor, or engineer can use a pick and shovel is known to all of us. There is also the converse fact, that a labouring man cannot undertake professional work. Is this State in a position at the present time to give two or three years' tuition in a training college to young men and then turn them out to work with pick and shovel?

Hon. J. Nicholson: That, really, is Sir Edward Wittenoom's point.

Hon. C. B. WILLIAMS: Yes. We are wasting money on education when the opportunities for success are so small.

Hon. H. J. Yelland: Have you any alternative to suggest?

Hon. C. B. WILLIAMS: The alternative would be to spend the money where some quick return can be obtained from it. Possibly there might be increased grants to farmers, or a bridge might be built over the Swan, instead of over-educating the children of the workers of this country without having occupations for them. Turning now to the free University, I am quite in accord with the view that the bright youths of this country, who, as Mr. Drew has said, are the future leaders, should have every facility to enable them to fit themselves for those positions when we pass on. Viewing the matter from a workman's standpoint, I find that this free education is a gift to people whom we train in the University to become lawyers, doctors, and Bachelors of Arts, anything except hard labouring men; and when these people have become specialists at the expense of the State, are their services free to the people of the State?

Let anyone go and get his appendix cut out and find how much that costs.

Hon. W. J. Mann: That is an illustration.

Hon. C. B. WILLIAMS: That is the easiest way of summing up the matter from a working man's point of view. The State pays for the higher education of the children of people who are fortunately placed. Those children become professional men, and what happens then? They turn round and start to fleece the people who have already paid for the education; they charge those people exorbitant fees.

Hon. J. Nicholson: Do you think it is worth while charging fees for some of that education?

Hon. C. B. WILLIAMS: I am not suggesting that fees should be charged for it. Still, there should be some method by which anyone who has obtained free tuition at the expense of the State should, upon becoming a successful man in an important sphere, be compelled to show some consideration to the people who educated him, compelled to make some reimbursement to the State. I have often wondered why the State should spend such large amounts of money on educating young women to become teachers. After all, these young women are the future mothers of the people of Western Australia. After being trained as a school teacher, a young woman perhaps gives 12 months' service and then picks up with some young fellow in the school and gets married to him. If she is not a teacher of cookery, the young fellow probably has to pay to have her educated in the art of cooking. Training so many young women to become teachers seems to me a waste of money. That is another phase which might well be reconsidered. Looking round the schools in my district, I seem to see more women teachers than men teachers. I do not think that should be so. There ought to be a greater proportion of men than of women teachers.

Hon. J. Nicholson: These are all suggested economies.

Hon. C. B. WILLIAMS: And they are covered, I presume, by the motion. After all, money that is spent in educating people to be school teachers, who subsequently are not successful or leave the profession, is so much lost to the State. I am convinced we should employ a lot more of our young men as school teachers and not the young women. It has to be remembered that 90 per cent.,

if not 100 per cent., of our young girls want to get married. Human nature is human nature and of course they look forward to getting married. It is a sheer waste of State money to educate young girls to be school teachers, seeing that they only stay for a while and then leave for the purpose I have indicated.

Hon. H. Stewart: They get a marriage allowance.

Hon. C. B. WILLIAMS: And some get married under the lap and stay on. Now we will get away from that subject and deal with another question that worries Sir Edward Wittenoom and Mr. Franklin, but does not worry me very much. They would abolish the Arbitration Court. I have felt from time to time that I would like to sack the President, Mr. Somerville and Mr. Bloxsome because they reduced wages. I have not yet joined the Communist Party. There may be some parts of their teachings with which I agree, but at any rate I have not joined them yet. There are some conservative members of this Chamber whose opinions seem to be on all fours with those of the Communists. Some of the opinions expressed by Sir Edward Wittenoom and Mr. Franklin are those held by the Communist Party. Either Sir Edward and Mr. Franklin have taken their views from the Communists, or the Communists have taken their ideas from those two members. Probably they will enlighten me on the position later on.

Hon. J. T. Franklin: They had a good say with you first.

Hon. C. B. WILLIAMS: Evidently the Communists have created a greater impression upon Sir Edward and Mr. Franklin than they have upon me, because the sentiments they expressed were in accordance with the views of the Communists. They would abolish the Arbitration Court and arbitration as well! I remember working in the mines at Bendigo, when there was no Arbitration Court and no wages board. In those days the fixation of wages that hon. members talk about so much now, rested with the employer and the representative of the employees. I know that times have altered, but in those days it was hard to get a man to represent the views of employees because such a man usually got sacked. The result was that there was, generally speaking, no one to talk to the boss about wages. The boss paid what he thought fit.

Hon. Sir Edward Wittenoom: There is a good deal in what you say.

Hon. C. B. WILLIAMS: I can prove what I say. I started work in the Red, White and Blue mine for 27s. 6d. a week trucking ore. I was there for several years. My wages went up to 30s., 33s., 36s., 38s., and at the end of my time there, I was earning £2 a week.

Hon. E. H. Harris: As a reward for merit and ability.

Hon. C. B. WILLIAMS: Or of audacity. I left the Bendigo mine in 1910 or 1911, being at that time in receipt of £2 a week after my five years of bargaining with the boss. We had to go to him with, "What about a rise, boss?" The reply would be almost invariably, "Nothing doing; you are getting enough." That is the position to which Sir Edward Wittenoom and Mr. Franklin would like to see the workers relegated once more. I have had experience as a union organiser, and had 10 years' experience in that position and as president of the A.W.U. at Boulder. I did a lot of that bargaining on behalf of the union. Mr. Harris could give the benefit of his experiences in that class of work, and the Deputy President, if he chose, could enlighten the House on his experience as an industrial bargainer. It is suggested that we should return to that stage in the interests of economy. It would be false economy. In Kalgoorlie they are expecting to hear daily of a big strike; yet that is despite the advantage of arbitration! The parties have been bargaining round the table for some little time.

Hon. Sir Edward Wittenoom: You believe in the Arbitration Court?

Hon. C. B. WILLIAMS: I do, because the Arbitration Court can protect the weaker class of workers. I refer to those sections of the working community who cannot stand upon their own collective feet. The coal miners, the railway workers and the lumpers do not require any Arbitration Court, nor yet the seamen. In times of peace and plenty they will fix their own wages all right. When we come to the weaker class of workers, such as the clerks and the men and women in the shops, it is easy to realise that there is no question of bargaining there. Workers of that description must have some tribunal that will be in a position to say to the employers what is a fair thing to pay as wages. The employers have the right of appeal, but finally the Arbitration Court

fixes the wages they have to pay. Without the advantage of the court, the bargaining that would be done would be mostly on the part of the employers, and they would beat the workers down to absolutely nothing. During the 11 years I was engaged in bargaining with the Chamber of Mines in Kalgoorlie, what did we get? We got 2d. a day in 1911. When the war was in progress, these great philanthropic employers that we have heard so much about, pursued their bargaining. Despite the profits they had been making, they adopted a different attitude. They knew that the Federal Arbitration Court had refused the miners the right to apply for an increase in wages but finally they volunteered a shilling a day.

Sir Edward Wittenoom: And that stopped the production of gold.

Hon. C. B. WILLIAMS: What did? They waived 1s. a day and as soon as we could get away from that award, and came before the State Arbitration Court, we were granted increased wages with a minimum of 15s. a day, which represented an all-round increase of 2s. 6d. a day. So much for this bargaining. It is all right if the bargaining is done with somebody who is prepared to negotiate and is reasonable. To-day the world is becoming worse, from a capitalistic point of view. In Australia we see the party to which I belong being forced to twist and turn on the invalids and the poor, with a reduction in the pensions paid to them, merely because of the behests of the capitalistic section of the community. What chance would any union have of bargaining with the class of employer that would enforce such a position, should arbitration be abolished?

Hon. Sir Edward Wittenoom: I will tell you later on the sort of arbitration you want.

Hon. C. B. WILLIAMS: That is how I view the abolition of the Arbitration Court. It is a useless suggestion to make. We know that a Government in the Federal sphere submitted a proposal to the people of Australia along the lines Sir Edward Wittenoom is advocating. The result of that appeal is known to all of us. The people of Australia said, by their decision, that arbitration means more to this country than any brand of politics or any class of politician. They said that, irrespective of whether the country was faced with ruin, they were determined that the workers of

the country should be clothed and fed reasonably. That is all our Arbitration Act provides. It sets out, in effect, that an industry that is not in the position to keep its married employees and their families in a reasonable degree of comfort, is not worth carrying on.

Hon. Sir Edward Wittenoom: Then no bread is worth more than half a loaf.

Hon. C. B. WILLIAMS: I do not believe in the half-loaf method. That sort of doctrine results in 2,000 docile workers marching to Parliament House and waiting outside, while all the luxury is within. They could almost touch the scones on the table; that would be their share.

Hon. Sir Edward Wittenoom: Then why provide £100,000 for the University when those people are starving?

Hon. C. B. WILLIAMS: I am backing you up! I am referring to that fact, but nevertheless the half-loaf business does not appeal to me.

Hon. Sir Edward Wittenoom: It might appeal to them.

Hon. C. B. WILLIAMS: It appeals to them because their leaders have no backbone, or they would teach them otherwise. The Arbitration Act in Western Australia is a safeguard for the workers, and in this present-day crisis, it has operated wonderfully well. The workers of Western Australia have come out of the difficulties better than those in any other State. I am pleased to be able to say that, because most of the members of this Chamber, and the majority of those in another place, are unceasing in their advocacy of reduced wages.

Hon. Sir Edward Wittenoom: How do the employers get on?

Hon. C. B. WILLIAMS: Employers who are running businesses are not doing it for pleasure, but for profit.

Hon. Sir Edward Wittenoom: They are running their businesses for their workers.

Hon. C. B. WILLIAMS: Nothing of the sort. People like Sir Edward Wittenoom are in business purely for profit, and for all the profit they can make out of the men they employ. The number they have working for them is increased or decreased according to the profits or losses made. The less wages paid, the less money there is in circulation. The miser keeps no one but himself; the spender keeps the world. If we were all misers, none could exist.

Hon. Sir Edward Wittenoom: If you have not the money to spend, what then?

Hon. C. B. WILLIAMS: Society has progressed to an extent that we now know that when money is not available, we can tax those who have it. There should be no question of economy in this State. I disagree with much that has been said, because Sir Edward Wittenoom has merely suggested economies where the workers are concerned. He does not suggest to the Government that those that are in employment, and those that are earning profits are getting something which their fellow men are not getting, which 12,000 persons in this State are not getting.

Hon. Sir Edward Wittenoom: I could not hear that.

Hon. C. B. WILLIAMS: No, you have a very convenient ear. The Government of the State and of the Commonwealth should not be economising at the expense of the wage-earners, but should be taxing those that are working, and those that are getting profits out of their business.

Hon. E. H. Harris: Are the Governments not doing that?

Hon. C. B. WILLIAMS: No. Presently we shall be asked to take another 10 per cent. off wages and salaries.

Hon. Sir Edward Wittenoom: That is one of my suggestions. You have overlooked that.

Hon. C. B. WILLIAMS: I have overlooked nothing. I realise that this Government and every other Government in Australia are out for reducing, not out for taking from those that can afford it. A man in work can afford a little nip, while the man who is earning plenty can afford more. If it is fit for one man with his wife and two children to live on 49s. per week, it is fit for all. In a time of national calamity the State, not the individual, should be paramount. In war time the State took control of everything, and borrowed money in addition. If the State goes bankrupt, it will not be able to pay what it owes. There are in this State 12,000 persons down and out with a millstone of debt hanging round their necks, while all that politicians think of doing is to reduce wages.

Hon. Sir Edward Wittenoom: Take some of that high school money for them.

Hon. C. B. WILLIAMS: And I want to take some of the hon. member's money also. The time is coming when we shall want a Mussolini or a Lenin in this country. We

do not want 80 members of Parliament in this State, absolute messers, at great expense to the State.

The DEPUTY PRESIDENT: Order! So long as the hon. member suggests a Mussolini or a Lenin as an economy to the Treasurer he is in order, but he is hardly in order in calling those who have charge of the destinies of the country, messers.

Hon. C. B. WILLIAMS: I am one of them.

The DEPUTY PRESIDENT: Well, the hon. member can speak for himself.

Hon. C. B. WILLIAMS: One has to judge by results.

Hon. Sir Edward Wittenoom: Let us hear some more about my suggestions.

Hon. C. B. WILLIAMS: Yes. You wanted to sell the State trading concerns, but in a more recent speech you said you would vote for the second reading of a Bill to set up a new State trading concern.

Hon. Sir Edward Wittenoom: I did not hear that.

Hon. C. B. WILLIAMS: No, of course you did not. In one breath you flog the Government for not carrying out the resolution of this Council to sell the State trading concerns, yet only a few days ago you announced your intention to vote for the second reading of a Bill to set up another State trading concern.

Hon. Sir Edward Wittenoom: Where did I say that?

Hon. C. B. WILLIAMS: You said it on the second reading debate on the Workers' Compensation Bill; you said you would vote for the second reading.

Hon. Sir Edward Wittenoom: Wait till the occasion comes along.

Hon. C. B. WILLIAMS: At all events, you said you would support the second reading.

The DEPUTY PRESIDENT: If the hon. member wishes to quote Sir Edward correctly, Sir Edward said he would vote for the second reading with certain reservations, if certain assurances were given in the Minister's reply to the debate.

Hon. Sir Edward Wittenoom: Thank you, Sir; there were several reservations.

Hon. C. B. WILLIAMS: The position is that if the Minister gives the hon. member the assurances he requires, the hon. member will vote for the second reading of a Bill to set up another State trading concern: whereas some months ago he voted for a

resolution to get rid of the State trading concerns. He wanted them closed down, even if we gave them away.

Hon. Sir Edward Wittenoom: Quite right.

Hon. C. B. WILLIAMS: Well, the hon. member is not consistent, for he is going to vote for the second reading of a Bill that will legalise the State Insurance Office. I agree that by way of economy we could sell some of the State trading concerns, for instance, the State hotels, out of which the State is not getting nearly as much money as it should. Those hotels are valuable, and would not have to be given away. There would be plenty of buyers for the State hotels, for there is no other business in Western Australia so highly remunerative as the hotel business. Yet the profits earned by the State hotels only serve to make one think that here at least is a department of State activities which we could afford to get rid of. I have said that the average trades unionist will not listen to any proposal for the abolition of the Arbitration Court. To the unions of Western Australia it is a costly method of settling disputes, and probably it is pretty costly to the employers also. Yet the cost is but little as compared with the cost of one week's stoppage of industry. So it is much cheaper and much better to continue settling our industrial disputes by arbitration. For human nature is selfish, whether it be in the employer or the employee. The employee wants just as much as he can get, and the employer wants as much profit as possible. I hope some good will come from the motion moved by Sir Edward Wittenoom. I did not misunderstand what he said. He did not say it was for the abolition of the schools; he qualified that by saying "for the time being." The argument is applicable. Why should I be getting a very high education at the expense of the State, while 12,000 of my fellow beings are living on the dole? And, further than that, thousands of my fellow citizens are working on farms where everything they have put into the land has gone. They are existing merely by the grace of the Agricultural Bank. They have put years of labour into the land and have lost their all. It is the city dweller that is getting the benefit, the city dweller whose father perhaps is in a good position and can afford to send him to an expensive high school. But if things do not improve there will be no school at all; not even a State school.

Therefore, it would be better to suspend the cost of higher education for the time being and allow that money to go to the improvement of the lot of the down and out farmers who probably have to use cornsacks for clothes, and have not the wherewithal to buy decent boots for their kiddies in order that they may be sent to the elementary school in the district. That is the position in which we find ourselves. The money we are spending on higher education to-day, 90 per cent. of it in the metropolitan area, could well be held back for 12 months until the State hitches its wagon to the star of prosperity again, when the expenditure could be reinstated.

On motion by Hon. W. J. Mann, debate adjourned.

House adjourned at 8.43 p.m.

Legislative Assembly,

Wednesday, 8th July, 1931.

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

QUESTION—UNEMPLOYMENT, DYEING OF CLOTHING.

Mr. PANTON asked the Premier,—In reply to questions regarding the dyeing of military clothing, the Premier said that the Government were contributing £164 6s. 8d., etc. Will he therefore state—(1) What was the total cost of the dyeing? 2, In view of the poverty of the unemployed committees, will the Government consider contributing a greater percentage of the cost, and so expediting distribution?