

Mr. Lamond: But the "Koolinda" has been a full ship both ways.

Hon. H. MILLINGTON: I can understand the attitude of members representing the North-West of this State. Of course we know that Opposition members do not like the provision of State steamers as a trading concern, and therefore they invented the name of public utilities to be applied to them.

Mr. Thomson: They look upon those steamers as we do upon the railways.

Hon. H. MILLINGTON: Yes. I presume the members for the North-West would not be as excited as the member for Mt. Margaret if it were proposed to pull up the Laverton railway, which does not pay. The point is that we propose to provide an adequate service for the North-West coast, even although it is not always a commercial proposition. With the provision of these up to date boats it will become a commercial proposition in time. As to the other remarks made, they will be referred to the Minister in charge, and I am confident that the utmost consideration will be given to them.

Division put and passed.

Divisions—State Saw Mills, £772,978; Wyndham Freezing, Canning and Meat Export Works, £310,000—agreed to.

Resolutions reported and the report adopted.

House adjourned at 10.43 p.m.

Legislative Council,

Tuesday, 22nd November, 1927.

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

MOTION—CENTENARY CELEBRATIONS.

Completion of Parliament House.

HON. SIR EDWARD WITTENOOM (North) [4.35]: I move—

That in the opinion of this House the completion of the front of Parliament House should be associated with the centenary celebrations.

The subject of this motion is set out so clearly that members will recognise at once what it is about. The centenary of Western Australia is now so close that I am taking this early opportunity of asking members to discuss with me the best method of commemorating it. Every reflecting person will admit that the event deserves substantial recognition, especially when we remember the initial difficulties our forefathers had to contend with when they landed in Western Australia. As a young man I had some experience in pioneering difficulties. I have been hard pushed for food, etc., but nothing I went through, and nothing any of my contemporaries went through, could have equalled what those unfortunate people who first landed here had to contend with. Those who have read history will remember that the original white people landed in the worst season of the year, in June, when the winter was exceptionally wet. They had little or no food, hostile blacks to contend with, and no shelters prepared. Worst of all, they were people who were quite unfitted and unprepared for such an experience. When we remember what their initial difficulties were, and when we see what has been achieved since by them and their descendants, we must agree that it would be very fitting that some memorial to them should be erected. As in June, 1929, the hundred years will have expired, we should consider now what we should do to commemorate the work of the pioneers. In the days of which I speak the means of communication were so rare that it was not easy for the newcomers to get any assistance. When they ran short of food they could not get it easily from the other States, as would be possible to-day. There were no ships, trading with the East, such as Java and those places, so that people here were practically isolated from the world. Many ways have been suggested by which this occasion should be commemorated. Unfortunately all of them are connected with the expenditure of money. The position of West-

ern Australia to-day does not justify the expenditure of a very large sum in any direction. In the circumstances, I would be the last either to suggest or support a large expenditure of money were it for any purpose other than the one to which I have referred. A centenary comes only once in a hundred years. The conditions are so peculiar, and are so deserving of recognition, that we might at all events be generous on this occasion even if we are a little extravagant. Only the other day a meeting was held in the Town Hall, when several methods of celebrating the centenary were proposed. Other suggestions have been made through the newspapers. One suggestion which seems to have met with favour in the eyes of the Government is that some expenditure should be incurred in connection with the University. Another was that a new causeway should be constructed over the Swan River on the way to Guildford and Bunbury. The Anglican Archbishop of Perth suggested either a music hall or a hall for music, and someone else suggested a centennial park. Amongst the other ideas were boat racing, sports, exhibitions and processions, all of which would cost money. I will deal with those things separately. Expenditure on the University is not all necessary, because recently this institution was treated so liberally that it is well off in the matter of funds. Moreover, the University is not situated centrally so far as the city goes, is not easily accessible, and those interested in it are chiefly people who have academic tastes. Therefore, we might pass over the University. I now come to the causeway. Surely we do not want centenary celebrations made the reason for building a new causeway. We know that the existing structure is too narrow for the traffic that must pass over it, and that it should have been altered long ago. I hardly think that the most reflective people would regard that as a fitting subject for centenary celebrations. As for the music hall, or hall for music, I would remind members that Perth is full of music halls and picture shows, and such-like places of amusement. We can well leave that argument to take care of itself. As to the centennial park, that has many points to recommend it. There again, the situation is too far from the city to be central. Anyone who wished to be reminded of the commemorative celebrations by travelling to the Darling Range would probably regard that as too long a

journey, and would not undertake it frequently.

Hon. A. Lovekin: What about a little expenditure on King's Park? That is in the city.

Hon. Sir EDWARD WITTENOOM: I think such expenditure is usually incurred by private people with the greatest of gusto. Much the same thing applies there as to the University.

Hon. A. Lovekin: There is more gusto than finance.

Hon. Sir EDWARD WITTENOOM: King's Park is already in such a presentable condition that it would be almost unnecessary to spend more money on it at present, unless it were spent upon its roads. I am one of those who fell in with the views of the chairman of the King's Park board when he was trying to collect funds for this particular purpose. I think he deserves great credit for what he did. I often feel ashamed that the response he received to his appeal was not more laudable. All these suggestions have a certain claim, but the one that I think would be the best is the completion of the Houses of Parliament. We could complete the building and put the grounds into such a condition that the whole would provide a fitting commemoration for the centenary. We would do away with the old Barracks and make the whole surroundings even more attractive than they are now. We would open up the view from St. George's terrace and altogether make the surroundings of Parliament House fitting for such an institution. If that suggestion were adopted, we would combine utility with the commemorative aspect. We have a Town Planning Association, the members of which are very keen on their subject. My proposal should appeal to them, especially the sweeping away of the old Barracks and other unsightly places, the result of which would be to make the buildings and grounds one of the most attractive parts of the city. Quite apart from what I have said about the other proposals that may have individual merits and appeals, the one that I think appeals to everyone in the community is the completion of Parliament House. Every boy and girl who is 21 years of age has the right to use Parliament House. The institution belongs to the whole of the people throughout the State, and does not concern one class of the community as does the University. The whole property belongs to the people and, by carrying to completion a splendid piece

of architecture, we could, in finishing off Parliament House, set up a memorial that would be fitting and worthy of the occasion. The locality is readily accessible. Where do people prize going more than anywhere else when they come to Perth? Undoubtedly it is to Parliament House for afternoon tea. Members may be able to spend money in other directions more appropriately, but there is no gainsaying the fact that the most gratifying means they can adopt to please their friends is to invite them to afternoon tea at Parliament House. The vast proportion of the community take an interest in this institution, and I think the suggestion I make would appeal to the people generally. It would appeal particularly to those who came here in the old days and helped to establish Western Australia. If they could be with us, they would appreciate what we had done to commemorate their labours. I have often said, and am not ashamed to repeat it, that we have the best political Constitution in the world. I will not go into details to establish that point, because everyone knows the true position.

Hon. J. Nicholson: And you want to preserve that Constitution?

Hon. Sir EDWARD WITTENOOM: I am coming to that point. We have that Constitution and an excellent set of representatives in both Houses. They represent people of every political thought, good, bad or indifferent, and that is as it should be. It is agreed that members of Parliament do not always receive credit; very often they are unpopular because of actions they deem it necessary to take. At the same time I think that the members who represent the people should be well housed. That will be another advantage should the building be completed, for members of Parliament working under the finest Constitution in the world will then be housed in keeping with the Constitution. Let us show that we are consistent. If we do so, people who come here and appreciate our Constitution will see that members of Parliament are well housed and will appreciate that that is as it should be.

Hon. J. M. Macfarlane: They will learn, too, that we are governing a good country.

Hon. Sir EDWARD WITTENOOM: Coming to the question of cost, I understand excellent plans for the completed Houses of Parliament are already hanging up in the room of Mr. Speaker. I have been informed that the estimate for the whole building at the time the plans were pre-

pared was £100,000, and that we have spent something like £50,000 on the buildings so far. Hon. members will agree with me that an estimate made at that time would not comply with present day conditions. The cost of everything has advanced and we would have to add at least 50 per cent. to the estimate. Taking it all into consideration, the work might cost the country, if we are to complete the building as I would like to see it, and as I hope hon. members would desire to see it finished off too, something like £75,000. As this is such an important occasion, and bearing in mind the revenue of the country, surely we can find £75,000 for the purposes I suggest. Surely we can find that money when we remember how our credit stands in other parts of the world. I do not want hon. members to be under any misapprehension as to my ideas. If I were asked to-morrow to vote the money I mention merely in order that the parliamentary buildings might be completed, I would reply, "No, we can go on for some time yet." On the other hand, here is the opportunity and, we must realise, the money will be spent in some way or other. A centenary cannot be commemorated without expenditure in some directions. I merely ask hon. members to consider the best way of commemorating the event. In my opinion the occasion will be best honoured by the completion of the Houses of Parliament. It would be an outstanding advertisement for the State. The building is on the finest site it is possible to find in any city of Australia. From it beautiful views are obtained and the climate of the State is unequalled. The claims for the suggestion I throw out are, in my opinion, almost unanswerable. Many ideas have been expressed regarding the form in which the celebrations should take place, and I do not know that I need go into them to-day. It was suggested, however, that the celebrations should be continued for a week. I think that would be an absurdity. If we contemplated such a course, there would be no one to do anything. No one will be available to do the work that will be necessary. It is like suggesting that everyone should be educated for a University career. As one wag stated, "If you educate everyone by sending them through the University, there will soon come a time when no one will be available to sweep the threshold of the University, because no one who has received a university training will work with his hands."

Hon. A. Lovekin: We could have educated sweepers.

Hon. Sir EDWARD WITTENOOM: Someone said to me that an educated worker would labour better than one who was uneducated, but I said the trouble was that such an educated worker would not work.

Hon. A. Lovekin: Yes, he will.

Hon. Sir EDWARD WITTENOOM: At any rate, that is a side issue. If my suggestion were adopted, and the work were undertaken at once, it could be completed in 18 months. Then, in order to carry out the celebrations, we could select one day during Show Week, say Thursday, which is Children's Day. The morning could be devoted to the opening ceremonies and so forth, and the afternoon could be set aside at the Show Ground for the children. Sir William Lathlain suggested that the children should be looked after, and he was perfectly right. I happened to be Acting Premier in 1897, the year of Queen Victoria's Diamond Jubilee. We looked after the children on that occasion; in fact, I had 15,000 medals struck and every child was presented with one to commemorate the occasion. The Thursday afternoon could be devoted to the children so as to impress upon their minds the importance of the occasion. The whole of the celebrations could be confined to the one day, and I suggest that that course be adopted. I may be considered presumptive in bringing this matter forward. The claim I have to justify my action is that I am one of the descendants of one of the earliest pioneers of the State. My grandfather arrived here in 1829, having been appointed by the British Government as the first Colonial Chaplain. He came out under adverse circumstances. He did not come to Western Australia as an adventurer but brought out his mother, sister and four sons. Each one of them has been connected with the State ever since. I mention one instance out of hundreds of others. Some of them passed through adverse periods, but whatever they did they assisted in developing Western Australia and making the country what it is to-day. There were times when many of them were advised to leave the West, particularly when the gold discoveries were made in the Eastern States in 1852 and later. They might have been excused had they accepted the advice, and probably many of them did go. But those who stayed behind have made the State what it is to-day. My people have been connected, like many of the others, with

the development of Western Australia. My uncle was one of the pioneers of the North-West. He took the first party that went to Roebuck Bay as manager. In the hope of finding a route from Roebuck Bay to the De Grey River, Panter, Harding, and Goldwyer by themselves left Roebuck Bay, but they were never heard of again until their remains were brought in. My grandfather on my mother's side was harbour master at Fremantle. He had been in the mercantile marine, holding the rank of captain. A ship was drifting on to the rocks at Fremantle and he went out in a whaleboat with an anchor in the hope of securing the vessel. He accomplished the task, but on returning, the whaleboat capsized and he and two others were drowned. Everybody who has been in Western Australia for many years has had to pay some of the penalties of pioneering. The question arises as to what is the best way in which we can effectively commemorate the deeds of the pioneers. I cannot help thinking that, good as other proposals may be, from a certain point of view nothing appeals to me or convinces me so much as the completion of Parliament House. It is something that we shall all be proud of. We can all make use of the building and take an interest in it. One might suggest the erection of a statue or some other form of monument. But of what use would either be? Why, many people can hardly read what is inscribed on some of those monuments. They are good in their way, but here we have a structure that belongs to the people. Every boy and girl has an interest in the building, and on arriving at the age of 21 years he or she will have the right to enter its portals. A little trouble might be encountered in the process of being sent to Parliament, but the fact remains that everyone over the age of 21 has the right to go into Parliament. I ask hon. members to think over the proposal, to consider the merits and demerits and compare them with others. I am convinced they will come to the conclusion that the suggestion to complete Parliament House is the best of all. I have much pleasure in submitting the motion.

HON. J. CORNELL (South) [5.4]: It is with much pleasure that I second the motion moved by Sir Edward Wittenoom. The motion is so simple and so self-explanatory that I trust the House will dispose of it without any adjournment of the

debate. We are approaching the end of the session, and for that reason I think we should determine the question to-day. It is fitting that a motion such as this should come from Sir Edward Wittenoom. He has recounted the long association of himself and his forbears with this State, and though at times I feel jealous of what the old West Australians did, and the new West Australians are doing, I also regret that I am not a West Australian. That is a circumstance over which I had no control; but I think it can be said that I have made some amends by doing the next best thing, that is, marrying a West Australian. I am not going to draw into my discourse the merits or otherwise of the completion of this building as against something being done to the University. Personally I think that both can be done, but I would not for a moment countenance a new causeway, because that would be an undertaking of a national character. It can be regarded merely as a parochial matter and of not State-wide importance. The first question we have to ask ourselves is whether there is any necessity for the completion of the Houses of Parliament. I say there can be no two opinions about that. It is the unanimous desire of the House Committee, the members of which are drawn from all shades of political thought, that the completion of the Houses of Parliament should be associated with the centenary of the State and not only that, but if it were financially possible, that the building might be completed in order that the completion might coincide with the celebrations. From the utility side I ask hon. members, is there not a necessity for the completion of the Houses of Parliament? I do not say altogether from the needs of the members themselves—because I think the average member is satisfied that, in a sense, he is adequately catered for, at any rate for the time being—but from the point of view of the staffs associated with the institution, who, in season and out of season, have worked uncomplainingly in what might be called uncomfortable surroundings. I refer particularly to the "Hansard" staff and to the clerical staff. The conditions under which they work, particularly the "Hansard" staff, during the hot weather, when the heaviest duties of the session devolve upon them, are difficult indeed. Their housing conditions are such that no reasonable body of men should ask them to experience

during periods of high temperature. There is another phase in connection with the completion of the Houses of Parliament that I might refer to, and it is that the Parliament buildings, in any country figuratively represent, so far as the aggregation of the people in any country are concerned, their national home. That is the view I take. When any visitor comes to our shores and is extended hospitality within these walls, he is ushered in through the back door, because the front door has not been completed. It has been my privilege, and it has also been the privilege of you, Mr. President, Mr. Lovekin and other members to travel during the last few years through the greater part of the British Dominions. I venture to say that you, Sir, and Mr. Lovekin will join with me in declaring that in a dominion such as Canada, the first place to which a visitor is taken is invariably the Houses of Parliament, in which structures the residents take a pardonable pride. Not only are they proud of their Parliament buildings, but their public buildings as well. I say again, that just as your guest would enter your house through the back yard, so he has to enter this building of ours through its dilapidated temporary structure, and he forms the impression that would enter his mind on entering your premises, not through the front door, but through the unfinished portion at the back. It is a revelation to go to Canada and particularly the newer provinces, Alberta, whose chief city, Calgary, had a population of only two people in 1872, and Winnipeg with a population of 250 the same year, and see what the Canadians have done in the way of erecting public buildings. Their Houses of Parliament are comparable to the greatness and the possibilities of the provinces. The same thing can be said of New Zealand and the Eastern States of Australia. There is another phase I wish to stress. Possibly with one exception—the administration offices in Pretoria—the site of our Parliament House is one of the finest in the world, the Capitol site at Washington notwithstanding. Therefore it behoves us as public men to lead the way. It is sometimes said that politicians lead from behind. In this case we should show our desire to lead from the front. There may be a certain amount of criticism, in effect perhaps, that Parliamentarians are anxious to further add to their elaborate requirements and surround-

ings, but I think it is generally known, particularly to anyone who has been through the mill that members who enter this place and another place are very often birds of passage, and short passage too, sometimes. Since I have been a member of Parliament it has always been my desire, in spite of the luxury with which we are supposed to be surrounded, to get back to my own little home. This reasoning applies to members generally. We should not be afraid of criticism, we should speak our minds as leaders of thought and emphatically express our opinions in this direction. I have much pleasure in seconding the motion and, as I said at the outset, I hope it will be carried unanimously at this sitting and that the completion of the Houses of Parliament will be brought about to coincide with the celebration of the State centenary.

HON. V. HAMERSLEY (East) [5.13]:

As the oldest member of this House I would like the opportunity of saying a few words in support of the motion moved by Sir Edward Wittenoom. I shall not take up much time because an hon. member just remarked to me that if I was going on for any length of time he would go outside. I hope my brief support of the motion will not have that effect upon other members. Having been associated with this House for so many years I feel that the time has arrived when we should seriously consider the question of completing the building. When it was decided to embark upon the work of erecting the building, the step was considered to be a bold one, but what was in the minds of those who were in power at the time, was in keeping with the ideals of the early settlers. It certainly was in keeping with the vastness of our country. Twenty-five years ago it was a bold step to embark upon the erection of this structure. I have always thought it a most desirable thing to complete the work as soon as the State could possibly do so. The time proposed is a fitting one for the completion. We recognise what the early settlers did, and the ideals they had in founding Western Australia. We realise that they carried out their work nobly and well. The site of the City of Perth was admirably chosen, and all associated with the establishment of the State confidently believed that it would be a magnificent country, and that every endeavour should continuously be made by all its citizens to add to what Nature had done for the State and

its centre. To complete these buildings would add to the wonderful capital city we possess. Perth and everything connected with it represents one of the most beautiful of the cities and capitals in the Southern Hemisphere. The foresight of some of our pioneers has richly endowed Perth with splendid reserves, the King's Park in particular surpassing anything to be met with in one's ordinary travels. King's Park is a noble entrance to what will become a magnificent, as well as a beautiful city. The completion of these buildings would add a crowning glory to the City of Perth, having regard to the view everyone would have of it along St. George's-terrace. Certainly the sight would exercise an admirable effect upon all approaching the capital from the country districts across the Causeway. It could not fail to impress them. The completion of the building is, therefore, a most important and desirable enterprise. After all, we want the whole of our people to take pride not only in the inland areas and what they themselves are doing there, but also in the capital city and its structures. They all appreciate the fact that Parliament House is representative, so to speak, not only of members of the Legislature, but of all the officers associated with the governance of the State. I heartily support Sir Edward Wittenoom's motion.

HON. J. M. MACFARLANE (Metropolitan) [5.18]: I support the views expressed by previous speakers regarding the completion of this building. Privately constructed buildings in the City of Perth are now attaining dimensions equal to those of buildings in other important cities, and undoubtedly they overshadow the public buildings. A member of this Chamber not long ago spoke of the dwarfed appearance of our public buildings, and the secondary place they seem to take when compared with public buildings in other capitals. With Mr. Cornell I hope that the vote may be taken to-day. Possibly it may be argued that this Parliament is being overshadowed by the Federal Legislature, and that before long State Legislatures will not be needed. That might be true if unification came about; but even if unification did come about, this State would continue to grow in numbers and enterprises, and the need for a Government home of some description would be just as great as if the State Legislature continued—I am by no means convinced that State Parliaments will not continue. Even from that

standpoint, therefore, the conception of those in days gone by who had plans prepared for complete Houses of Parliament must be respected. They visualised something which this Chamber should visualise again to-day with a view to the completion of the building. Queensland has a population just about double that of Western Australia, and the municipal authorities of Brisbane are now completing a municipal building costing about a million sterling. If a municipality like Brisbane can face that expenditure, surely the State of Western Australia should not be afraid to spend £75,000 or £100,000 on completing its Parliamentary home. The completion of this building will impart added dignity to the work of Parliament, and will favourably impress visitors. As a view from St. George's-terrace the completed Houses of Parliament will be, par excellence, in keeping with buildings of a like nature in other countries. I sincerely trust the motion will be carried, because the time suggested for the work, the centenary of Western Australia, is most fitting. It is pleasing to reflect that the mover and a supporter of the motion are representatives of our oldest families—I refer to Sir Edward Wittenoom and Mr. Hamersley.

HON. J. NICHOLSON (Metropolitan) [5.21]: I agree it is a particularly happy circumstance that this motion should have been moved by one who, in the first place, has himself taken so important a part in the development of Western Australia and also in its political life; and when we know that the mover is descended from one of the earliest settlers, who left so noble a public heritage behind them, we can see an added significance in his undertaking this important motion. It is also most gratifying that the motion should be supported so heartily as it has been by another descendant of a very old settler—Mr. Hamersley. Other speakers, like myself, unfortunately have not been identified till considerably later years with the work of the State; but everyone has learnt to respect—and the more deeply we read into the history of Western Australia the more deeply do we respect—the work of the early settlers and pioneers of the State. They have created a record of which any country might well be proud, and at all times displayed a spirit of endurance and indomitable courage. Had it not been for those qualities, we probably should not have been here in this House of Parliament

to-day. Unquestionably they were men endowed with long vision. Many of them, although disappointed in earlier years by the trials and troubles besetting their path in the development of the country, recognised that there was a certain and definite future for the State. It is pleasing to know that their hopes have not remained unrealised. We foresee, I am quite sure, still better prospects of success and growth and development for Western Australia. Whatever we can do towards that end, in however humble a way, let us do with all our might. I sometimes reflect upon the wonderful progress made by a comparative handful of people. When we know that it is less than 100 years since settlement first took place here, and when we look round and see the great advances which have been made throughout the length and breadth of the State, we marvel. Let us not forget that when the early settlers landed at Fremantle, there were, as Sir Edward Wittenoom has pointed out, no roads, no railways, no house accommodation. The first settlers arrived at the worst period of the year; but despite that they did not allow their courage to be dismayed: they rose triumphant over their difficulties, and gradually they prepared a place for themselves and a settlement, and went ahead steadily with the development of the country. Primarily owing to their efforts, Western Australia has reached its present stage of development. When travelling by rail in Western Australia, the thought often passes across my mind that less than 100 years ago the hills surrounding Perth had not even a road access to the back country. The men who blazed the track, the first men to make an exploratory trip, about 1833, under Captain Dale, had great difficulty in penetrating the ranges. Ultimately, when they had got beyond the ranges somewhere near Spencer's Brook and espied the lovely plains there, they thought they had indeed reached the promised land. To-day we have roads throughout the State; we have railways and can travel with comfort where the earlier pioneers had to beat a path with great hardships. The tributes paid to the spirit of the early pioneers by Sir Edward Wittenoom and other hon. members are most fitting. As regards the motion, I feel sure it will receive the ready acceptance of the House. There has been a suggestion that if there should be such a thing as unification in the near future, there would be less need for these Houses of Parliament.

Hon. Sir Edward Wittenoom: We are too far away for unification.

Hon. J. NICHOLSON: I agree with Sir Edward Wittenoom.

Hon. A. Lovekin: Do you propose to borrow the money, or to take it out of revenue?

Hon. J. NICHOLSON: Whatever amount may be necessary can be raised by whatever means seem best to the Government. It is hardly our function here to-day to decide how the money shall be raised. All we have to determine to-day is what may be a fitting manner in which to commemorate the centenary of Western Australia's foundation. Undoubtedly it is fitting to commemorate that centenary by the completion of these buildings, for the reason advanced by the mover—that this is a national movement, a State institution, something that every member has a deep interest in, whether he represents the north, the south, the east, or the west. It matters not what part of the State he represents, he at least has a stake in this building. Being a national institution, it should appeal to everybody in the State. One of the first things we, as a country of importance, should do, is to see that we have such an institution worthy of such a State as we hope our State will be in a short time, if it is not already.

Resolved: That motions be continued.

Hon. J. NICHOLSON: We should certainly make the building for this national institution an imposing edifice worthy of our great State. It is not that members here desire any particular comfort for themselves; but we wish our institution of Parliament to reflect credit upon our State. That is the real purpose and object. As we know, there are people who estimate others by the class of architecture they affect in their public institutions. Naturally those people would look to the Houses of Parliament as a determining factor in that respect. At the annual conference of architects in this State a little time ago, I took the opportunity to refer to these Houses of Parliament, and alluded to the fact that something required to be done wherein the architects of this State could undoubtedly aid us. And I am sure they will aid us in doing something in that respect. Dealing with the question whether, in the event of unification, there would be any need for these buildings, I suggest that there will be need for Parliament House for all time, unification or no unification. We are not asking for unifica-

tion; we ask to be allowed to pursue our own way.

Hon. J. Cornell: Even if we had unification, we would still have a Parliament.

Hon. J. NICHOLSON: If unification did come, it would be impossible for the affairs of Australia to be administered wholly from Canberra or Melbourne or Sydney without having at the same time some form of local legislature, which would have certain powers in State affairs, just as we have to-day. We have an instance of that in the county councils of England. But these States would be of much greater magnitude than the county councils in the Old Land. However, something of that nature will be required to be perpetuated for all time, and these buildings, when finished, will always be of use, because local government of some kind must continue. There is another point, to which I alluded at the public meeting in the Town Hall a few days ago. Let us bear in mind that these Houses of Parliament would never have been erected had it not been for the fact that as a State we secured Responsible Government. I ask those members who have not looked into the history of Responsible Government in this State to make themselves familiar with the facts connected therewith. They will then realise that very great services were rendered to the people of this State when those who took a leading part in the public affairs of the State managed to secure from the Home Government Responsible Government for Western Australia. Those who have preceded us played a very important part in the affairs of this country, and we cannot pay too great a tribute to those men who have gone before us. The more we pay respect to them and perpetuate their memory, the more will their services be a guide to ourselves and those who follow us. Therefore, I think the committee appointed to go into this important matter of arranging suitable celebrations and means of commemorating the centenary of the State will scarcely forget the services rendered to the State by those who have gone before. I have pleasure in supporting the motion.

HON. H. STEWART (South-East) [5.27]: It is eminently desirable that as commemorating the centenary of a new country, there should remain some fitting landmark to be an inspiration to the younger generation. I think the proposals outlined by Sir Edward Wittenoom fulfil that pur-

pose. Early last year I participated in a week of celebrations of the foundation of Western Australia in Albany, where the first landing and settlement took place under Major Lockyer, commissioned to come here by the Governor of New South Wales. Had there been erected on that occasion some inspiring and permanent memorial, it would have been a good thing for that part of the State. While we can feel gratified that such liberal benefactions have been made to the University, they are restricted in their application. They will do much to raise inspiring buildings for the housing of the students. Those who are not sufficiently well endowed with this world's goods will be able to benefit by scholarships under the Hackett bequest and the Gledde bequest. But the provision of facilities for additional students, and the erection of spacious inspiring buildings for ceremonial purposes and the social life of the University, have laid a greater obligation on the Senate of the University, and set up a greater difficulty in providing adequate teaching for the increased number of students, and in suitably housing those students. Anyone who has travelled the world cannot fail to realise that in Australia until the last few years there has been a tremendous lack of appreciation of higher education. If a country is to advance on the best lines, it is absolutely necessary that all its industrial and commercial development should be associated with the latest thought in science, philosophy and the various schools. Young men trained in the Universities of Australia have difficulty in securing adequate remuneration for their services. Their higher training has been looked at askance. But on going abroad in progressive countries they have no difficulty in getting suitable positions carrying high remuneration. Abroad, their higher training is a distinct asset, although in their native country they found it a drawback. The expenditure promised by the Government in adequately housing the University by the time of the centenary, will bring this State more into line with other countries. The completion of Parliament House would be a fitting memorial, and would prove an inspiration to the younger generation, an epitome of the possibilities of the future. A dignified building in such a fine position would serve to consecrate the political and civic importance of the liberties they enjoy, and help them to appreciate the work that those who represent them are doing, and

inspire them also to do what they can in the public sense to advance the interests of their country. It is necessary that something should be done to improve the housing of the staff; the existing conditions are not satisfactory. As Mr. Nicholson has pointed out, such a building would always be useful, and the expenditure to complete it would not only be money well spent, regarding it from a strictly utilitarian point of view, but would dignify the political life of the State and perhaps inspire citizens to take a greater interest in the political, social and general advancement of the State.

Question put and passed.

BILL—CLOSER SETTLEMENT.

Read a third time and returned to the Assembly with amendments.

BILL—STATE INSURANCE.

Second Reading.

Debate resumed from the 15th November.

HON. C. F. BAXTER (East) [5.48]: This is a very important measure, the consequences of which will be so far-reaching that the Bill should receive very careful consideration before it is passed. This afternoon I was informed it was anticipated that I would speak for four hours on the Bill, but I assure members that I have no intention of proceeding to such an extreme. When a similar measure was before Parliament last session, this House in its wisdom approved of giving the Government authority to operate only on restricted lines, and as a result the measure was lost.

Hon. E. H. Harris: The Government would not accept the Bill.

Hon. C. F. BAXTER: That is so. Since then the Government have deliberately defied this House by illegally carrying on insurance business outside the scope of the authority conceded by this House.

Hon. E. H. Gray: And with great benefit to the State.

Hon. C. F. BAXTER: In a country like Russia action of that kind might be tolerated, but we are part of a British community and no Government should go to such lengths. The question is whether the State is to be ruled by despotic action of that kind or by constitutional government. The present Government represent the La-

bour organisation and a plank of their platform is the nationalisation of all industry. Therefore they seek to carry into effect such proposals as State insurance and State trading generally.

Hon. E. H. Harris: State insurance is specially mentioned in their State platform.

Hon. C. F. BAXTER: That is a specialisation of which I was unaware. The hon. member, however, is better acquainted with the platform of the Labour Party than I am.

Hon. J. Cornell: Is State insurance an undertaking or a utility?

Hon. C. F. BAXTER: We know to our cost what has been the result of State trading concerns.

Hon. E. H. Gray: A very good start has been made with this one.

Hon. C. F. BAXTER: Before I have finished I shall tell the hon. member what the Government have done and I think it will be sufficient to silence him effectively. State trading concerns, if run on legitimate commercial lines, cannot succeed against private enterprise. The trouble is that State trading concerns are given advantages that are denied to private enterprise. I refer to their non-payment of rates and other charges that a private concern has to bear. Of those I shall give instances later. Let us consider what the experience has been in each of the States that have adopted State trading, notwithstanding the advantages to which I have referred. The record of the last financial year's operations shows the following losses on State trading concerns:—

New South Wales	..	£772,711
Queensland	..	£323,665
Tasmania	..	£77,000
Western Australia	..	£475,914

It must be remembered that those figures are not computed on a commercial basis as they would be by a private firm. In addition we have to remember the loss to the revenue consequent upon State trading concerns not paying taxation. Business conducted by private enterprise produces revenue that assists the Government to carry on the affairs of the State. We are told that State insurance will be for the benefit of the people.

Hon. E. H. Gray: Hear, hear!

Hon. C. F. BAXTER: What have been the benefits of the State trading in the past? Let us consider one concern that affects every section of the community—I refer to the State Sawmills.

Hon. E. H. Gray: What about the State Brickworks?

Hon. C. F. BAXTER: The State Brickworks are on all fours with the State Sawmills. When the State Sawmills were inaugurated we were told that the object was to supply cheap timber to the workers in order that they might build homes cheaply, and to supply other people with timber at reasonable rates. Yet almost from the inception the State Sawmills joined the combine. I do not know whether it applies now but there was a time when the State Sawmills were leading the combine in the matter of increasing the price of timber.

Hon. H. Stewart: Yes, with regard to fruit cases.

Hon. C. F. BAXTER: I am not referring to fruit cases.

Hon. G. W. Miles: The same applied to bricks.

Hon. C. F. BAXTER: That is so. In actual practice trading concerns of that description work out the reverse of beneficial to the community. Not only have they had the effect of increasing the price of the commodity to purchasers, but the taxpayers have had to make up the losses incurred. The State Sawmills have been operated to one end only and that was to make a profit. They have made some big profits.

Hon. E. H. Harris: They are working in conjunction with the timber firms.

Hon. C. F. BAXTER: That is so.

Hon. E. H. Gray: Where do the profits go?

Hon. E. H. Harris: To compensate for the losses on the other trading concerns?

Hon. C. F. BAXTER: Not a bit of it. Some years ago the Government experienced great difficulty in hiding the tremendous profits the State Sawmills had made. The Government were afraid to let the public know how great the profits had been. The introduction of State trading means reduced efficiency. I speak from four years' experience as a Minister when I say it is impossible to run a Government department as efficiently as a private concern can be run.

Hon. E. H. Gray: Why is that?

Hon. C. F. BAXTER: The ramifications of a Government department are such that it is impossible to get the same good work out of the staff.

Hon. Sir Edward Wittenoom: Then the staff would not vote for you at the next election.

Hon. C. F. BAXTER: That would not worry me; all I was concerned about was to do the right thing. It is impossible to get efficiency from Government departments, and yet what builds up a country but efficiency? Australian produce has to compete in the markets of the world and if we go on increasing State trading, as is proposed under this measure, we shall soon have an army of civil servants. What then will be the result?

Hon. E. H. Gray: If everyone is comfortable and happy, what will it matter?

Hon. C. F. BAXTER: If the management of affairs were taken out of our hands, the hon. member would be one of the first to make a noise about it.

Hon. V. Hamersley: The management of affairs at Fremantle has been taken out of our hands all right.

Hon. C. F. BAXTER: It has been argued that the establishment of State insurance would provide better facilities for the insuring public and would lead to a more expeditious settlement of claims. If one can judge from experience of the State Insurance Office during the short period it has been in existence, the reverse will be the case. Let us see how it has panned out in relation to members of the Labour organisation that back up the Government in the establishment of these trading concerns. I hold in my hand an article from the "Westralian Worker," of the 30th September, 1927, headed "A.W.U. Mining Branch, K. and B. Section." I am not quite sure what those letters mean.

Hon. E. H. Harris: They refer to the Kalgoorlie and Boulder sections.

Hon. C. F. BAXTER: The report reads—

The administration of the Miners' Phthisis Act and its incidence in certain cases was discussed at length. The union, it appeared, have been advised that the Government have decided not to recognise any claims on behalf of men who have been out of the industry for twelve months. In this connection, the secretary of the section, Mr. C. B. Williams, outlined the details of three cases that had been brought under the notice of the Minister for special consideration, which, by the decision already referred to, had been refused. The claimants under notice were men who having been advised that they were dusted, had accepted the advice given them to get out of the industry, and taken jobs on construction work in connection with the Esperance railway, clearing of roads, or work incidental to the provision of water supplies. Of these men, Mr. Williams said that he knew of only one with a dust ticket who still retained his employment, whilst younger men

were still employed. The men put off naturally drifted back to the mining industry, but those in the cases under notice found on submitting themselves for the necessary examination that they were in the meantime supposed to have contracted T.B., which debarred them from employment in the industry. In their effort to establish themselves in more healthy industry, they were out of the mining industry for slightly over twelve months, and in being declared T.B. were not only deprived of employment, but were now also to be deprived of any rights under the Miners' Phthisis Act. Continuing, the speaker said that some of the cases previously dealt with were men who had taken work at Salmon Gums, and were just within the twelve months and their claims were acknowledged after some weeks of argument. The men on whose behalf claims were now being made were in the same category who came back after twelve months to look for work again. Even though these men developed T.B. whilst willing and able to work, they could not get their passport back into the mines. He thought that the Government should recognise the claims of these men, because although they recognised that there must be some starting point there was no doubt that these men had claims within twelve months, even though through lack of facility they had been unable to establish it just within that period. They would have to take a determined stand for the men who took work and went away and came back to find themselves deprived of both work and compensation.

Hon. E. H. Gray: From what paper are you quoting?

Hon. C. F. BAXTER: I thought the hon. member was awake. I am quoting from the "Westralian Worker" of the 30th September, 1927, the official organ of the Labour Party. The article continues—

Mr. McKennay supported the previous speaker's remarks. He was astounded when these cases were turned down. He thought that when similar cases had been discussed with the Minister, that he (the Minister) though of the opinion that 12 months was the right period, saw these cases in a different light. Continuing, the speaker said he had been looking up the records of one of the men with whose cases they were now concerned. This man worked on the Great Boulder, leaving there on June 19, 1926, to proceed to other work, outside the mining industry. Subsequently he was offered and accepted a job on the Viking mine at Norseman, but before starting was told that as the examination was coming on he had better get his 1927 health certificate. By the time he got to the Laboratory and was examined and found to have contracted T.B. it was the 22nd June, 1927, or three days over the twelve months he was out of the mining industry. It was quite likely that he had the job to go to within the twelve months. He said it was scandalous if the Government were going to shelter themselves behind a

clause in a case like that. The Act was administered by regulation and it was their duty to tell the Government that they did not stand for the exclusion of these men from benefit, who on the invitation of Ministers had left the mines. Either they should stand to them for longer than 12 months or make good their promise to find them work. No man deprived of work should be allowed to exist on thin air while that promise stood. He felt that if the position was brought home strongly enough, the Government could not fail to see the matter in the right light. After some further discussion, in which several members indulged, it was unanimously resolved to invite the Premier and Minister for Mines to come to the goldfields on Sunday, October 9th, to discuss with the whole of the union the Miners' Phthisis and Workers' Compensation Acts.

Hon. Sir William Lathlain: Have they been there yet?

Hon. C. F. BAXTER: I hope they have put the thing right for the sake of the unfortunate miners. The article continues—

The power of Inspectors of Mines under the Arbitration Act, to see that awards are carried out in their entirety, was brought under notice, with a view to having the Minister for Mines issue instructions to the various inspectors to exercise this power. Mr. McKennay reported to members experiences he had had in connection with claims made under the Workers' Compensation Act, to the State Accident Office. In one the claimant was certified as suffering from silicosis by his own doctor, and by Dr. Nelson to be not so suffering. The matter was referred to a medical board of which Dr. Nelson was chairman. A protest was entered against Dr. Nelson acting as chairman and after six weeks delay a new board was appointed. This board decided by a majority that the claimant was incapacitated 20 per cent. by silicosis. He had made a claim on behalf of the claimant but it hung fire. When in Perth recently he investigated the case with the manager and that gentleman read him extracts of reports he had received from each of the members of the medical board.

It appears from this that the manager of the State Insurance Office has access to confidential reports concerning miners who have been laid aside as a result of this disease. The article continues—

He, the speaker, protested against this procedure of getting information from the board, and insisted that if the State Accident Office was not satisfied with the decision and wanted the board to reconsider the matter, they had no right to get the information. The board should again be called together if a review was wanted to testify whether the claimant was wholly or partially incapacitated, and the parties concerned notified. In another case, that of a death claim, the manager quoted from a report he had received from Dr. Nelson after the man had

died. That report was based on information that Dr. Nelson had at his disposal in his examination at the Commonwealth Laboratory. He, the speaker, had raised the strongest possible exception to the State Accident Office going to an officer of the laboratory and getting confidential information. They had been told by Ministers explaining the Act, how secret and confidential these examinations were going to be, but they found that the State Accident Office had access to records that no private insurance company would be permitted to get. The executive had considered the matter and had instructed him to protest to the department in Melbourne controlling the Commonwealth laboratories against the action of Dr. Nelson giving away confidential information. It was moved and carried that this union deplores the attitude of Dr. Nelson at the laboratory and considers he is working against their interests, and they have no longer any confidence in him. Mr. McKennay reported that he had been advised that the Parliamentary Labour Party were considering the difficulties that had cropped up under the Miners' Phthisis and Workers' Compensation Acts, with a view to smoother working of the administration.

Hon. H. Seddon: Would not the reference you have quoted be to the special second examination?

Hon. C. F. BAXTER: The last reference may be to the second examination, but the first was not.

Hon. H. Stewart: Is this article written in favour of State Insurance?

Hon. C. F. BAXTER: It was written by the official organ of the party which is supporting that principle.

Hon. E. H. Harris: It is put up for the benefit of the unfortunate members who believe what they read there. I can hardly think all these statements are correct.

Hon. C. F. BAXTER: The paper cannot get away from the reference to the men working at Salmon Gums, because the names are given.

Hon. E. H. Harris: I hope it establishes a precedent, and that these men will get a fair deal.

Hon. C. F. BAXTER: I hope it does.

Hon. J. Nicholson: Have you heard that the men have had a fair deal?

Hon. C. F. BAXTER: I have no information to that effect. I have here another reference to this question, taken from the "Westralian Worker" of October 28, 1927. The headings on the article are "Workers' Compensation Act, Difficulties Encountered in Establishing Claims." The article states:

The Workers' Compensation Act has conferred a deal of benefit on maimed and incapacitated industrialists, but its incidence,

particularly regarding its third schedule, is surrounded by so many defences that claimants incapacitated by disease may well be said to be faced with difficulties that in all but exceptional cases are high insurmountable. Humanity, no matter in what sphere of activity, finds difficulty in maintaining a high degree of physical perfection. The workman of whom it can be said he is free from all complaint is an extreme rarity. Organic disease, we all know, is almost universal—the kidneys, heart, the gall, the liver, and other organs, being susceptible to a gradual lessening of their powers of function, until in one or the other a degree is reached where disease becomes manifest. That can be truly said of almost all men, even men whose avocation can be carried out under the most ideal conditions. Take the case of the miner, whose conditions of work are not ideal. Here is one, for instance, whose system is undermined by the inroads that silicosis (dust on the lungs) has made on his constitution. His breathing is seriously affected, his lungs, clogged with particles of silica, no longer do that duty to his other organs that healthy lungs would do, and as a result his powers of resistance are lowered, and his system as a whole affected in such a way as to make him more than ever susceptible to organic disease. Because of that fact, it might be readily believed that the silicotic man, who can no longer earn full wages through incapacity, could more easily establish his claim and justify his right to compensation, but in practice we find that because of it his difficulties to establish his claim have been increased and are almost insuperable.

This is the Government that will settle all claims without those troubles that are said to be associated with private insurance companies. In this article too, the names are given. I do not think this paper would dare to print information that was not correct, otherwise an action might lie for libel. The article continues—

Take the case of Patrick Kennedy: Five years ago he was advised by his own doctor to get out of the mines in the interests of his health. But he stayed on as many more have done. To-day he is totally incapacitated. His own doctor says that the silicosis from which he is suffering is quite sufficient, apart from his other complaints, to incapacitate him from earning full wages. A claim on his behalf was made to the State Accident Office, under the Workers' Compensation Act, and the doctor's certificate was submitted. It was the first move in the long and complicated procedure. The State Accident Office disputed the medical certificate and in accordance with the regulations referred the case to a medical referee, who in this case was Dr. Nelson, of the Commonwealth laboratory. This dispute is a right under the Act, a right that by the State Accident Office is apparently never neglected. Dr. Nelson reported that Kennedy was not incapacitated by silicosis. It should be borne in mind that Kennedy at this time was totally incapaci-

tated, a point that is not disputed. It is the cause of his incapacity that is in dispute. The matter is next referred to a medical board in accordance with the regulations of the Act. In this tortuous procedure the State Accident Insurance Office appears to hold a strong hand, for although they are really one of the parties to the dispute, it was found that Dr. Nelson, who was employed by them as a medical practitioner in the case, was appointed a member of the medical board which was to decide the issue in dispute. A protest on behalf of Kennedy induced Dr. Nelson to retire from the board appointed, and another board had to be constituted and, of course, it all takes time. The board finally consisted of Dr. Mitchell (chairman), Dr T. P. Byrne and Dr. Inman Way. The board, by a majority decision, ruled that the disability due to silicosis should be apportioned at 20 per cent. of the total disability. An application for recognition of the claim on this decision proved fruitless, although the Act states that a worker suffering from silicosis is entitled to compensation if he is thereby disabled from earning full wages at the work at which he was employed. How a man 20 per cent. disabled by silicosis can earn full wages is beyond comprehension. Obviously compensation for Kennedy even on the decision indicated appeared justified, and was worth fighting for, and Mr. McKennay, secretary A.W.U. Mining Branch, acting on Kennedy's behalf, interviewed the manager of the State Accident Office. That interview was without result so far as compensation was concerned, but it did disclose that the State Accident Office had called for an independent report from each of the individual members of the medical board that dealt with the case.

Although we all feel that everything possible should be done for the unfortunate sufferers from silicosis, I do not think any insurance company or Government department should have access to documents, nor approach the Medical Board so that each member may give a private, confidential and separate report.

Hon. W. H. Kitson: Would it not depend upon the circumstances of the case?

Hon. C. F. BAXTER: There is only one way to deal with the question, and that is the right way. There should be no question of going behind people in order to get reports in this way. The article continues—

Mr. McKennay took the strongest possible exception to this action, and insisted that the board should be again called together to review the case. This was subsequently done, and the chairman (Dr. Mitchell) expressed agreement with Mr. McKennay's objection to the State Accident Office calling for individual reports from members of a board after such a board had given its decision.

The second sitting of the board was obviously more or less of a farce. It had already given a decision and its members had individually submitted reports. Their decision

at the second sitting was a foregone conclusion, although it can still be said that it was far from conclusive, that second decision. It was different in a way, inasmuch as certain questions were framed for its consideration. Here, again, the strong hand that the State Insurance Office, a party to the dispute, plays in the settlement, shows itself. It was the State Insurance Office officials who framed the questions, and these were submitted to the board and to Mr. McKennay, who appeared for Kennedy, at the commencement of the sittings.

Mr. McKennay claimed the right to submit an additional question, but he was not permitted to do so.

The questions and the answers thereto were:

(1) Q.—What is the cause of claimant's incapacity?

A.—Silicosis, toxemia, senility.

(2) Q.—Is the claimant totally incapacitated?

A.—Yes.

(3) Q.—Is the cause of claimant's incapacity solely due to silicosis?

A.—No.

(4) Q.—If not, what other ailments contribute to his incapacity?

A.—Toxemia, senility.

(5) Q.—If claimant were entirely free from silicosis would he still be totally incapacitated as a result of his other ailments?

To the first four questions the doctors were in agreement, but to the No. 5 the answers were:—Dr. Byrne: Yes; Dr. Mitchell: In my opinion, Yes; Dr. Way: No.

The question that Mr. McKennay desired to add to the list was: "If the claimant were entirely free from toxemia and senility, would he still be incapacitated by silicosis to a degree that would prevent him earning full wages?"

An affirmative answer to that question would be conclusive. A negative would still leave it open to argument as to the degree the toxemia and senility had been induced or aggravated by silicosis.

The union are seeking legal advice on the case. It is their intention to fight it to the last ditch. It is typical of a situation that numbers of other mining employees will ultimately find themselves in, and as such is an issue that must be definitely settled at the earliest possible moment.

Meanwhile Kennedy awaits due recognition of his claim.

That was a reasonable request. Mr. McKennay should have been allowed to add the question to the list. If any private company attempted to work on these lines its doors would be closed in less than six months. A private firm would not dare to treat its clients in the way this particular client was treated by the State Insurance Office.

Hon. C. F. BAXTER: When moving the second reading of the Bill, the Chief Secretary stated that the Legislative Council had endorsed the principle of State insurance. It is not usual for the Minister to draw upon his imagination to such an extent. I cannot understand how he could arrive at such a conclusion. The House certainly gave the Government some authority regarding insurance matters, but practically rejected the State insurance measure.

Hon. J. Nicholson: The previous Bill was nearly defeated on the second reading.

Hon. C. F. BAXTER: That is so. From the optimistic tone of the Chief Secretary's speech. I am afraid he has been carried away by those who supplied him with his information. One would gather from his remarks that there was no difficulty about insurance business. As a matter of fact, it is a highly technical and delicate business. Statistical returns covering years are necessary and these have to be carefully analysed before the companies can arrive at the rates upon which insurance business can be carried on. I am afraid those who advised the Chief Secretary have little business experience under this heading. The actuarial department is an important branch of insurance work. Statistics have to be compiled and carefully analysed in order to arrive at what is an equitable risk to be shouldered on a scientific basis. From where has the State concern secured its information of that description? How has it operated? From where has the experience of the Government officials been obtained? To say that they are merely acting by rule of thumb based on the rates levied by the insurance companies is ridiculous.

Hon. A. Lovekin: But they can learn like they did in connection with the group settlement business.

Hon. C. F. BAXTER: Yes, at the expense of the taxpayers of the State! We have had a lot of learning and gaining of experience of that description in connection with the State trading concerns, and I think the taxpayers are about tired of it. The same thing obtains in other States. Then again, the suggestion that the rates are arrived at by rule of thumb is ridiculous. The companies arrive at those rates based on scientific principles as the result of statistics carried through tortuous methods to finality by the best actuaries in

Sitting suspended from 6.15 to 7.30 p.m.

the British Isles, who prepare their results for the heads of the insurance companies there. As to this House agreeing to State insurance, the Government were told plainly that we were opposed to the State insurance business, but we realised the obligation due to the unfortunate sufferers from miners' complaint who had followed the avocation of mining to the benefit of the State and the detriment of their own health. Because of that, we were prepared to do what we could to assist those men and that is why provision was made for the Government to undertake the insurance of those sufferers. Viewed from that standpoint, there is no necessity whatever to go into figures. We know what the position is. Men suffering from miners' diseases are not regarded as insurance risks at all. For that reason we gave the Government legislative authority to carry on the miners' phthisis fund. We realised that assistance was necessary for those people and that if the companies were to be expected to insure the men under the Workers' Compensation Act, the premiums would be so high as to be prohibitive. There was no other way to lend assistance to the sufferers except under the Miners' Phthisis Act and therefore the Council accorded the Government the necessary legislative authority.

Hon. A. Lovekin: Men suffering from miners' complaints should receive a pension and should not be paid a lump sum at all.

Hon. C. F. BAXTER: It was never expected that the hardships I have indicated should ever arise in connection with the settlement of claims. No member would stand for that, and the treatment I have indicated to-day is not the sympathetic treatment we expected would be meted out to the men. Then again the Chief Secretary said that State insurance was an ordinary function of government. I disagree entirely with that assertion. The function of government is to govern and to develop the country. Insurance plays no part in governmental requirements and I cannot see how it can be regarded as being associated with development. If we take away our railways and State ships, the operating of which I regard as a State function, what do we find? Some hon. members will not agree with my contention that the running of railways and ships is a State function. I believe that it is, because the railways and the State steamers assist in the land

development policy by the transportation of produce. If we in the southern portion are entitled to our railways, then the producers in the North are entitled to transport by means of State ships. If it were the desire of the people—I know it is not—to nationalise all industry, it would be quite all right. The Government say they have a mandate, but the Government did not go to the country on the question of State insurance, so I cannot see where the claim to a mandate arises. If the nationalisation of industries were to be inaugurated, we would be led to such a state of inefficiency that our commercial position would be destroyed altogether. If we continue in the way we have been proceeding of late years, we will become a State of civil servants, and concerns run by civil servants are slow and detrimental to any country. When referring to the operations of State insurance offices in other countries, the Chief Secretary said he was endeavouring to show that in America, out of 48 States, 17 States had Government insurance offices and in eight out of the 17, the State had a monopoly of workers' insurance business. If the American State offices furnish such splendid service, why is it that only 17 out of 48 States possess Government offices, and of those 17, only eight States have offices possessing a monopoly over the workers' insurance business? I could not help thinking when listening to the Minister's speech, that he indicated something of an achievement on the part of State insurance offices in America, but on analysis we find the position anything but satisfactory.

Hon. A. Lovekin: And when there is trouble, the State offices cannot pay half the claims.

Hon. C. F. BAXTER: The Chief Secretary pointed out that the rates charged by the private companies in America were higher than the rates levied by the State insurance offices. Why is that? Simply because the private insurance companies furnish, as they do here, a superior and more prompt service, and that is everything in the insurance business. It is a fundamental part of the undertaking that is of vital importance to the insurers. That is the basis of the business carried out in America. How can we expect to get that prompt service from a Government department, the officers of which are required to keep records and so forth? No matter how keen the offi-

cers may be, they cannot give the prompt service that is rendered by private companies. Here is the true position regarding the New York State insurance office. It does less than nine per cent. of the workers' compensation business.

Hon. H. Stewart: And have not got a monopoly?

Hon. C. F. BAXTER: The New York office has no monopoly. That means to say that in the State of New York the private companies undertake 91 per cent. of the workers' compensation business. The statements I quoted from the "Worker" newspaper proved how unsatisfactory State insurance has been. Then the Chief Secretary said that the Victorian State office had been established in 1914, in which year the Workers' Compensation Act had been passed. He also pointed out that two provisions of the Act were that insurance should be compulsory and that a State office should be established and that workers' compensation business should be transacted with the Government. Despite that, the State insurance office in Victoria does only 15 per cent. of the workers' compensation business, the balance of 85 per cent. being done by the private companies. More than that, the 15 per cent. transacted by the State office includes business from municipalities, road boards and from those who enter into contracts with the Government. Perhaps that is a good policy, but the fact remains that the State office transacts 15 per cent. only of the workers' compensation business. Surely the arguments advanced by the Chief Secretary weaken his case; they do not strengthen it. The Chief Secretary said, in the course of his remarks—

It would be interesting to know the latest position in Queensland. The State Insurance Office there was established in 1916 by an amendment to the Workers' Compensation Act. The office obtained a monopoly of workers' compensation insurance, and despite an increase in the benefits, no increase in the premium rates was made.

The position in Queensland, in respect of the Workers' Compensation Act, is quite different from ours. Here we are faced with medical fees of £100. The figure in Queensland is £50. Then we have quite a different set of circumstances regarding claims for incapacity. In Queensland they differentiate between married and single men. A single man receives little more than half the amount received by a married man. The two positions cannot be compared. Again,

the rates claimed for incapacity have recently been increased in Queensland. When taking into consideration medical fees one will find that the amounts paid for incapacity and other allowances make up for the so-called wonderful results claimed in connection with the Queensland Act. But there was one phase the Chief Secretary avoided—perhaps he was not supplied with the information. In regard to the Queensland operations, they are of a different type altogether. The Queensland Auditor General's report refers to this.

Hon. Sir William Lathlain: He is the man to quote.

Hon. C. F. BAXTER: According to that report, claims that have been paid in the miners' phthisis department amounted to £40,169, whereas the premiums received totalled only £10,411, showing a loss of £30,000.

Hon. V. Hamersley: In how many years?

Hon. C. F. BAXTER: A matter of a short period only.

Hon. W. H. Kitson: Is not that a business that the Government should undertake?

Hon. C. F. BAXTER: You cannot run on a business basis insurance on miners' phthisis. If the Government were prepared to isolate advanced cases, it would be possible to work it on a business basis. There they had a loss of £30,000, and it had to be made up by the Government. How did they do it? By a transfer from the Workers' Compensation Act. This should not be a matter of insurance; it should come out of Consolidated Revenue. It is not a commercial risk at all; the country should foot the Bill instead of juggling about, as has been done. In Queensland there are only 500 miners. That gives us food for thought when we remember the number of miners employed in Western Australia. The position is much more serious here. Only as recently as the 4th November the Minister for Health told us that we had about 4,000 miners in the State. I consider, therefore, that we can set our loss down, on miners' phthisis alone, at £60,000. How are we going to meet that loss by any insurance scheme?

Hon. H. Stewart: Last year's credit balance of £28,000 would not go very far towards it.

Hon. E. H. Harris: On what do you base your calculations?

Hon. C. F. BAXTER: On roughly a hundred cases a year, taking the figures sup-

plied by the Minister for Health. Regarding the increase of rates as given by the Chief Secretary, which are pretty well accurate, it is my intention to quote the old and the new rates to prove that the underwriters were forced to increase their rates. I note, by the way, that a large number of the risks for some time passed have been involving a loss of over 100 per cent. Here is the statement to which I have referred—

Occupation.	Old Rate.	New Rate.	Percent. age Increase.	Loss Ratio.
	£ s. d.	£ s. d.	%	%
Aerated Water Cordial Factories	3 15 0	6 5 0	67	180
Agents—				
Commission ...	0 9 4½	0 10 0	103	146
Land and Estate	0 12 6	0 19 0	52	97
Customs—with carrying	1 17 6	2 16 6	50	88
Architects ...	2 10 0	3 15 0	50	70
Asbestos Factories	1 17 6	3 2 6	67	235
Banks ...	0 3 9	0 6 0	80	95
Bark Mills ...	2 10 0	4 3 6	67	248
Bark and Sandalwood Getters	1 17 6	3 2 6	67	191
Motor Garages and Bicycle Shops—				
Including racing risk	3 17 0	5 12 6	50	91
Excluding racing risk	1 17 6	2 10 6	51	80
Sale shop only	0 9 4½	0 15 0	60	...
Biscuit Factories	1 17 6	3 2 6	67	114
Blacksmiths' and Wheelwrights	1 11 3	2 7 6	52	75
Boat, Ship and Yacht Builders	2 3 9	3 13 6	68	661
Boot and Shoe Dealers—Wholesale	0 12 6	0 19 0	52	62
Breweries ...	1 11 3	2 7 6	52	96
Builders—				
Demolishing and removing	4 7 6	7 6 0	67	115
Butter Factories	1 5 0	2 1 6	66	156
Carters and Carriers	2 10 0	4 3 6	67	101
Coal and Firewood Merchants—				
With circular saws	2 6 10½	3 0 0	28	114
Without circular saws	1 14 4½	
Dairymen ...	1 8 14	2 7 6	70	120
Farmers, Station Owners, etc.	1 8 1½	2 7 6	70	114
Ferry and Boat Proprietors	1 17 6	3 2 6	67	493
Flour Millers ...	1 17 6	2 16 6	50	63
Gas Works ...	1 5 0	2 1 6	56	112
Ironmongers ...	0 15 7½	1 6 8	70	106

Hon. W. H. Kitson: Do you mind explaining what you mean by ratio loss?

Hon. C. F. BAXTER: Ratio loss on the business transacted. It should be patent to the hon. member that the Government he is supporting cannot possibly carry on State insurance on such conditions. How will they make ends meet? There is only one way and that is to fall back on Consolidated Revenue. One hon. member said, "Let us have the Auditor General's report." Page 19 of the 37th Report of the Auditor General makes interesting reading. From it one learns that premiums paid under the head-

ing of "Government Employees" total £66,637, and claims paid £57,739, and medical expenses—I desire hon. members to note this—£16,951, making a grand total of £74,690, which shows a loss on the business of some £8,000. There is a footnote to the effect that "with the exception of medical expenses, management expenses of the fund are charged against Consolidated Revenue." It makes one heartsick to read these reports; all of them have footnotes showing that the State is dodging its responsibilities. And notwithstanding the administration costs being charged against Consolidated Revenue, there is a loss of some £8,000. How can business be transacted on such lines? What is going to happen to the fund in question if the present procedure continues? The fund must collapse. Why should money for this purpose be taken out of the taxpayer's pocket?

Hon. W. H. Kitson: What was the position in the year preceding?

Hon. C. F. BAXTER: There is no use going into that. Why are these tactics adopted? For the purpose of evasion? Or because the State cannot compete in the business? The medical fees amount to no less than 20 per cent. of the total amount paid out. I do not know where those fees are to stop. This sort of thing makes one wonder what is going to happen in the end. There is an event that is green in my memory although it happened as far back as 1908, in which year the Underwriters' Association had to increase slightly the rate for covering the Midland Junction Workshops. The then Minister refused to pay the increased rate, saying that the Government would carry their own risk. Shortly afterwards the workshops went up in smoke, causing a loss of £50,000. It will take many years for the amount of the annual premiums to compensate that loss.

Hon. A. Lovekin: That was due to lack of spreading risks.

Hon. C. F. BAXTER: Who is to say there will not be another fire at the workshops soon, swallowing up the reserves? I would like the Chief Secretary to explain a reference on page 19 of the Auditor General's Report, under the heading "Government Buildings." In that connection a credit of £14,733 19s. 11d. is shown at the 30th June, 1927. In replying the Chief Secretary might explain exactly what risks that reserve covers. The destruction of one small public building might absorb the £14,000. Again, let us take the figures given

by the Auditor General as to employers' liability. Those figures are most illuminating. Once more it appears that there has been only a cash audit, and that figures showing the extent of the liabilities are not available. How could a private concern work on such lines? The premiums amount to some £52,000. How can the Government judge whether their rates are adequate?

Hon. E. H. Gray: They have experts.

Hon. C. F. BAXTER: The Government are merely copying the private companies' rates. There is nothing to show the extent of the liabilities. In answer to questions of mine the Chief Secretary, in all good faith, I acknowledge, stated that the claims made numbered 1,384 and totalled £25,275. But those figures are absolutely useless for my purpose, because here is the customary footnote—

There are outstanding amounts of unsettled claims which cannot be estimated.

Hon. Sir William Lathlain: An insurance company shows that outstanding liability every week.

Hon. C. F. BAXTER: Yes; otherwise it could not do business. But here in the Auditor General's Report it is stated that the outstanding claims cannot be estimated. Still, that is the Government's way of doing business. The situation discloses the department's unfitness to control the business. Now I wish to draw hon. member's attention to a little happening which shows how the insurance business is conducted by the Government, and what a risk the State is running for want of knowledge of the business. Prior to the advent of the State Insurance Office, which was forced on Parliament by the Government's action, the Industries Assistance Board had a scheme of insurance with the Underwriters' Association, whereby all the board's insurances were put through offices here and on account of the cheaper cost of collection the Underwriters' Association rebated to the Industries Assistance Board 30 to 33 per cent. of the premiums. That arrangement worked satisfactorily enough. The State Insurance Office, however, is now doing the business in question; and it would be interesting to know the rate of commission allowed by the State Insurance Office to the Industries Assistance Board. Another interesting point is whether the Industries Assistance Board commission is being credited to clients of the board or is going into Consolidated Revenue. How-

ever, to my amazement I find that the re-insurances of the State Insurance Office have been carried out by an insurance company domiciled in Melbourne whose premiums did not reach £4,000 per annum. With such a company as that the State does its re-insurance. The concern in question eventually collapsed. We find the State Insurance Office re-insuring with what was practically a company of straw.

Member: Was that the Industrial Insurance Company?

Hon. C. F. BAXTER: I am not going to give the company's name here, but I am prepared to do so privately. What hope have the State Insurance Office of recovering the amount of their re-insurances? They would have to come on the Consolidated Revenue for the amount.

Hon. J. Nicholson: Did the company you speak of pay the deposit due under the Act?

Hon. C. F. BAXTER: Being domiciled outside Western Australia, the company would not have to pay a deposit. The Government's policy was to push all insurances outside well-established companies here, companies which were paying taxes to the State, on to an outside concern. Further, the Government are working in the direction of insurances being effected with Lloyds. In order that the Chief Secretary may know exactly what I am working on, I will read him some copies of letters. The first is as follows:—

Department of Works and Labour, 26th August, 1927. The Town Clerk, Kalgoorlie. Sir, With reference to my letter of the 20th May in connection with the provision in the Traffic Act, 1926, for insurance against damage of vehicles for hire and their passengers, I have to inform you that Messrs. Bennie S. Cohen (W.A.), Ltd., are underwriting at Lloyds, London, insurance on taxis (passenger risk) at £1,000, premium £9 14s. per annum, as against £14 by local companies. Claims may be made and settled locally. This company is not at the present time doing bus business. Yours faithfully, (sgd.) C. A. Munt, Under Secretary for Works.

Of course they would not be doing bus business: it would be too risky. The second letter reads—

Department of Works and Labour, 2nd September, 1927. The Town Clerk, Kalgoorlie. Dear Sir, Further to my letter of the 26th ult. in regard to the provisions in the Traffic Act, 1926, for insurance against damage of vehicles for hire and their passengers, I now enclose copies of specimen forms of cover note and insurance policy. The cover note will be accepted in regard to claims until such time as the actual policy is received from Lloyds,

London. Owing to the fact that it is necessary for this policy to come from London, it will be two or three months from the time of acceptance of the proposal before the policy can be issued in Western Australia by Messrs. Bennie S. Cohen (W.A.), Ltd. Yours faithfully, (sgd.) C. A. Munt, Under Secretary for Works and Labour.

Following on that, Mr. Eccles wrote to the Taxis Association on the 22nd September as follows:—

I am directed to furnish you with copies of two letters received from the Under Secretary for Works dealing with the insurance of vehicles for hire and their passengers. You will see from the letters that insurance may be effected with Lloyds at a very much lower rate than that quoted by local companies, and I shall be pleased to know without delay that you have taken out the necessary policy, so that the Minister may be advised to that effect. The specimen of insurance policy referred to in the Under Secretary's letter may be viewed at this office. Yours faithfully, (sgd.) Chas. E. Eccles, Town Clerk.

It is practically coercion, compelling them to do it.

Hon. J. Nicholson: But is not that company carrying on business in this State?

Hon. C. F. BAXTER: Nothing of the sort. They have here a representative with limited power. Many people think that Lloyds is a solid company. It is nothing of the sort. Lloyds is composed of a large number of insurers prepared to put down fairly substantial deposits. Knowing little of insurance, they for the most part are represented by brokers. One could not get a policy back from Lloyds in less than three months. The companies domiciled in Western Australia have attorneys representing them here. They are capable of suing or of being sued, but in Lloyds it is quite possible to have 200 indorsements on one policy. One has to sue those people in the country in which they are domiciled, and to sue each and every one whose name appears on the policy. I want to let members know how badly the State is placed in forcing this business through Lloyds. Who would be mad enough to fight a claim against Lloyds? It is quite the customary thing to find from 50 to 60 indorsements on one of their policies.

Hon. G. W. Miles: But Lloyds pay up. You don't have to fight them.

Hon. C. F. BAXTER: They do not. I know of claims they have disputed.

Hon. J. M. Macfarlane: I had one experience with Lloyds.

Hon. J. Cornell: I understand that Lloyds cut rates.

Hon. C. F. BAXTER: It is quite easy for a large association of persons to cut rates when they are in what is practically a foreign country.

Hon. G. W. Miles: You don't call England a foreign country, do you?

Hon. C. F. BAXTER: Only in a business sense, of course. They have no connection here, no attorney.

Hon. J. Nicholson: They are outside our jurisdiction.

Hon. C. F. BAXTER: Exactly. They pay no taxes in this State, no income tax nor anything else. Since they refused the bus business, who is going to take the responsibility? The taxis are all right, but the State Government leave the buses out in the cold. They can insure where they like. If the insurance companies are forced off the market, what is going to take their place? Suppose that State insurance is brought about, what will be the position of agricultural firms and banks? Shall we find commercial firms as ready to do business in advancing against farming securities as the insurance people are to-day? No other financial institution would do it. Again, it must not be forgotten that during the national crisis the insurance underwriters were a tremendous help to the Mother Country and her Allies.

Hon. G. W. Miles: Whatever money they lent, they collected from the people.

Hon. C. F. BAXTER: The hon. member has a business in the North, and collects money from the people and invests it.

Hon. H. A. Stephenson: He would want more than 2½ per cent.

Hon. C. F. BAXTER: Yes, and he has done very well, too.

Hon. Sir Edward Wittenoom: Every man who lends money lends it at a profit.

Hon. C. F. BAXTER: During the war the insurance underwriters pooled the whole of their securities and assisted England with the provision of munitions by making the money available to her. Had not the companies reserved their forces they would not have been able to do that. To a great extent we here follow the Mother of Parliaments in things affecting us in like ratio with the British Isles. A Royal Commission was appointed in England to inquire into the advisability of adopting national insurance. That Commission in its report was strongly opposed to any move in that direction because it would mean upsetting all commerce, and would be prejudicial to the British Isles. That report was adopted by

the British Parliament, and as a result no nationalisation of insurance is taking place there. If the British Parliament came to that conclusion, I say the representatives of Western Australia in this House would be wise to come to the same conclusion, namely, not to hand over insurance to a Government so lacking in business methods as to insure with a company that collapses. I ask are hon. members prepared to run the risk of allowing this State to enter upon a commercial concern such as that?

Hon. J. Cornell: It is likely to be the best revenue producing one of the lot.

Hon. C. F. BAXTER: There is evidence of all round losses already. I cannot see any good in the introduction of State insurance in Western Australia, and so I will vote against the Bill.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [8.24]: When the Bill was before the House on a previous occasion it received very sympathetic consideration from every member. That consideration was extended, not because members believed in the principle of setting up any further State trading concerns, but because of their earnest desire to grant some measure of relief to miners suffering from various diseases. I regret, and I think the Government will regret, that they did not accept the measure this House was prepared to grant them. For in the light of evidence since produced I think the introduction of the State Insurance Office will do incalculable harm to the State. When the Premier introduced the Bill last session he stated definitely that the Government had no idea of entering upon general insurance. But the Bill now before us leaves no doubt in the mind as to the aims and objects of the Government, namely, to establish a general insurance business. Since the Chief Secretary has quoted the operations of a life insurance company in New Zealand, one can presuppose that eventually this Government hope to launch out into life insurance business. The Bill does not specify that, but it does contain these words, "and any other insurance business or risk." Practically everything comes within that clause. If the Bill were to become law there is no limit to the insurance business the Government would undertake in accordance with the terms of that clause. The Chief Secretary, when moving the second reading, said that last year the Legislative Council endorsed the principle of State insurance. As one who

took part in that debate, I emphatically deny that I endorsed the principle; and I think I am speaking for a majority of members when I say that the support we gave was given to that measure, not because we accepted the principle of State insurance, but because we were earnest in our desire to grant relief to the disabled miners. It will show the grave doubts that members had in their minds if I remind the House that they inserted in the Bill this clause as an amendment—

This Act shall remain in force till the 31st December, 1927, and no longer.

Is that establishing the principle of State insurance? I emphatically deny it.

Hon. J. Nicholson: Would you give them the same concessions again?

Hon. Sir WILLIAM LATHLAIN: Not the same as I was prepared to grant last year. For I have now more evidence, and the more I go into the question the more unsound do I find it. Nothing could be more convincing that the Auditor General's report, in which he says that with the exception of medical expenses all the management expenses are charged against Consolidated Revenue. Is that clean and honest trading?

Hon. W. H. Kitson: Does that refer to State insurance?

Hon. Sir WILLIAM LATHLAIN: Yes, the Workers' Compensation Act, under which the State Insurance Office has been formed.

The Chief Secretary: No, that is the old Government insurance scheme.

Hon. W. H. Kitson: I wish the hon. member would make quite clear what it is he is quoting.

Hon. Sir WILLIAM LATHLAIN: It is the Workers' Compensation Act Fund and the balance sheet for the current year.

Hon. W. H. Kitson: In connection with what?

Hon. Sir WILLIAM LATHLAIN: With the Workers' Compensation Act fund.

Hon. J. Nicholson: But that is not the State insurance scheme.

Hon. W. H. Kitson: The hon. member is misrepresenting the position.

Hon. Sir WILLIAM LATHLAIN: These are the figures quoted by Mr. Baxter. They show the proportion of medical expenses and everything else.

Hon. J. Nicholson: Yes, but that has to do with the Workers' Compensation Act.

Hon. Sir WILLIAM LATHLAIN: I can only quote you what the Auditor General gives.

The Chief Secretary: That is the old Government insurance scheme.

Hon. Sir WILLIAM LATHLAIN: Then it shows it has been conducted in the old Government way and that the ordinary rules of business in the way of presenting a proper balance sheet have not been observed. It does not matter what fund it represents; the Auditor General finds fault with the fact that a proper balance sheet has not been submitted. One would imagine that the fact of the Government having introduced legislation to provide for State insurance necessarily implies that the State must engage in that particular business. The law provides that we must clothe ourselves respectably, but the law does not provide that the Government shall open a clothing shop to supply the clothes. I think the Chief Secretary was indiscreet in mentioning that Dr. Saw last session had said that as the State had made insurance compulsory, the natural corollary was that there should be State insurance. I think it would be equally logical to contend that if the doctor prescribed beef tea for one of his patients, he must of necessity provide the beef. We know that there are 50 butcher shops that could supply the beef, and there are 60 other insurance offices to do the insurance work that the Government are so anxious to undertake.

Hon. J. Cornell: It would be all right if you could fix their rates.

Hon. Sir WILLIAM LATHLAIN: The principal argument advanced by the Chief Secretary in favour of a State insurance office was that it would result in a saving to policy holders. I think I am correct in saying that while the working expenses of the companies was about 35 per cent., the Minister hoped that the expenses of the State office would amount to not more than 20 per cent. Let me remind members that we have heard that same argument many times. We were to have had cheaper bricks, cheaper meat, cheaper fish, cheaper beer and cheaper implements, and can any member say that one of those commodities is cheaper as a result of the State having entered the business? I venture to say the establishment of those industries has done more to retard our general industrial progress than anything else. Apart from that, we find the Government guilty of the most grossly immoral act of bolstering up trading concerns

by the use of loan moneys. Members will recollect that last session I spoke warmly on the question of taking moneys from loan in order to bolster up such undertakings as State Brickworks and State Implement Works. It is hardly to be wondered that one should complain on that score, because it has been proved conclusively that anything the State can do can be done better by private enterprise. The only thing is that the Government, in carrying on those particular concerns, incur an enormous financial loss, thereby endangering the State, for the financial loss has to be borne by that most unfortunate individual, the taxpayer. The State insurance office, if it is ever established, will pay no rent, will pay no municipal taxes and will never pay income tax, State or Federal. I do not suppose it will ever earn any income. It is very difficult to draw comparisons between the probable working expenses of a State office and those of a private company, because the companies have to pay rates and taxes. It should be borne in mind that there are about 50 offices in the city of Perth, every one of which is paying municipal taxes that relieve to some extent the enormous loss that the ratepayers of Perth have to bear because the Government pay no taxes of any kind. At least 20 per cent. of the city is occupied by Government, educational or church buildings for which the municipality receive no revenue whatever by way of rates. Again, it is most unfair to compare what a State office might do with what the companies are compelled to do. The companies are compelled to pay £2 6s. per cent. on the total revenue they receive. It does not matter whether they make losses; they have to pay the £2 6s. on their total receipts. They are also compelled to pay £5,000 each as a guarantee of good faith. The companies have to bear the loss of the difference between the 4½ per cent. allowed them by the Government on those deposits and the amount they could earn if the money were free for them to use it. In the aggregate the companies have to pay a very large amount as a guarantee of good faith. The Government hold the large sum of £345,810 on behalf of the life insurance companies and £282,455 on behalf of other insurance companies, a total of £628,265. Thus the Government are probably forcing people engaged in the same line of business to lend them money to carry on an opposition business. The Chief Secretary quoted the

fact that the Industries Assistance Board had made a profit last year of £14,000 on insurance against hail. In the previous year, before the State undertook such insurance, the companies who undertook the business on behalf of the Industries Assistance Board paid out in claims £1,000 more than they actually received in premiums. While we are all pleased that the State has had the good fortune to escape any particular loss in one year, it is no criterion of what may happen in other years. It is all very well to talk about the great organisers of the trading concerns, but the Government have been very fortunate because, while we are discussing this Bill, claims are being received from practically all parts of Western Australia for damage by hail. Take the figures of the Industries Assistance Board again; in 1923 the companies received for hail insurance throughout the whole State premiums amounting to £33,924—that was before there was any suggestion of inaugurating a State insurance office—and they paid out in losses, without allowing for any expenses whatever, £51,175. It is most astounding that on the statement of the Chief Secretary the State should undertake insurance without a shilling of capital when it is risking such a liability as that. Some years ago I had the misfortune to have my premises destroyed by fire. The stock was insured in one company for £65,000 and the building was insured for £36,000. In less than one week after the fire the company were ready to pay me the whole of the liability. What would be my position if I were insured in the Government office, which the Minister frankly admits has not a penny of capital apart from revenue? It is indeed a serious matter. We are supposed to be sober minded and yet we are confronted with frenzied finance, the equal of which never prevailed during the land boom. The Government are undertaking tremendous liabilities without a shilling of revenue to meet them. It is all very well to say that liabilities will be met from consolidated revenue, but I shall prove that the Government have no power to take money from consolidated revenue without the express permission of Parliament. I know they do not always wait for permission, but there is a day of reckoning for those who indulge in that kind of thing. The Minister stated that under the Workers' Compensation Act the rates had been increased considerably. I prepared my notes before Mr. Baxter had spoken and I do not intend to cover the

ground that he has traversed. No concern looking for an extension of business—and all the companies are out to get increased business—would be likely to increase its rates unless for a strong and substantial reason. It is interesting to know that experience of workers' compensation insurance in this State from 1925 to 1927 has shown a loss ratio for all the companies of 99.8 per cent. without any allowance whatever for administrative expenses. In other words, the total losses have equalled the amount of premiums received without allowing for administrative expenses. Yet, in face of such a definite statement, not by one or two puny companies but by companies that have been established many years, the Government persist in legislation of this kind. I attended a celebration in Perth a little while ago marking the hundredth anniversary of the establishment of an insurance company. That company had built up large reserves. My friends who support the Government will tell me they have been built up out of premiums paid by the people. So they have, and so was the great wealth of Britain accumulated prior to the war built up of reserves created by the people. Previous to the war Britain was recovering 250 millions a year as interest on foreign investments. The whole of the money went to England and was lent out again in various ways. Yet if State insurance and similar concerns had become popular, there would have been practically no capital left to tide over the great crisis. Mr. Baxter has referred to what the insurance companies did in that direction. I have a balance sheet of an all-Australian company established in 1862 who put £425,000 into the business over 60 years ago and have accumulated reserves amounting almost to a million of money. It was not on fire insurance or workers' compensation business that they were able to pay their dividends, but on the money earned from the investment of that large sum. Western Australia shares considerably in those particular investments. That money is invested in Western Australia by the companies doing business here. It is not like Lloyd's who take the business to London. I have as much love for London and the Motherland as has any man, but I love Australia first and Western Australia best of all, and I want to see the business kept here. They have municipal loans or bonds to the value of £45,850; they have Government

bonds which include £5,000 deposited under the Insurance Companies Act, amounting to £345,810; they have Commonwealth and war bonds, the Western Australian proportion of which is £85,400; they have mortgages £56,487; and they own freehold property to the value of £140,743, and have other investments totalling £3,753,000. That is for the fire insurance companies. I do not know what the figures are in the case of life insurance companies. One life insurance company has over £4,700,000 invested in Western Australia.

Hon. J. Cornell: That is the A.M.P.

Hon. E. H. Gray: That is mutual.

Hon. Sir WILLIAM LATHLAIN: It is not a Government concern. The money belongs to the people. It certainly pays better than the New Zealand Office. The insurance business is not one that can be carried on in a haphazard way, as is proposed to be done by the State Government without capital. I believe the Government have a good actuary, but in a business of this kind it is necessary to have people connected with it who have served in it for a lifetime, and learned the finer details and all about the finesse required. That is the value of the co-operation on the part of insurance companies in arriving at a fair and equitable basis. The Chief Secretary has quoted instances where insurance rates have been reduced. The Western Australian offices are able to show that the premiums on crops were seriously reduced some years ago. They are desirous not only of continuing in that way, but they have realised probably more fully than any Government institution that if they desire to increase their business, there is enough competition between the 60 organisations to keep them within fair and reasonable bounds. It pays to keep down administrative costs, because increased costs mean loss in profit. An astounding feature associated with the Bill is that the Premier ignored the figures which have been furnished in regard to the last two years' losses on workers' compensation. He has stated that the Government Insurance Office will continue to charge the old rates; in other words, that it intends to commit suicide at the expense of the poor unfortunate taxpayer.

Hon. J. Cornell: Would not the taxpayer welcome the suicide?

Hon. Sir WILLIAM LATHLAIN: No. We are a very generous people. We do not want anyone to go down. We can all be happy and contented if we get our own way.

The Government gave as their reason for the establishment of State insurance that the companies refused to cover mine owners' risks under the Workers' Compensation Act. The information the companies desired from the Government as to the liability they were undertaking has never been properly forthcoming. No information of a decisive nature has ever been furnished to the companies, and they have no idea as to what liability and responsibility they were to accept. The New Zealand State Insurance Office and the State Insurance Office of Tasmania did exactly the same thing. They refused to accept miners' risks under their particular policies, because they knew they were writing policies for an unknown quantity and an unknown liability. New Zealand has been quoted by the Chief Secretary as an example of what can be done. Although New Zealand has a much larger population than we have, and a much smaller area, the cost of insurance to the people in Western Australia is very much less than it is to the people of New Zealand. This is all before the introduction of any State insurance office. In Victoria, which has a State office for the transaction of workers' compensation business, the State office has 15 per cent. of the business other than Government business. Outside of Government business, 85 per cent. is done by the private companies operating in that State. In New York the State office does less than 9 per cent. of the business, in Maryland (United States) it does 16 per cent., in Michigan 5 per cent., and in Pennsylvania it does 20 per cent. In ten years there have been 67,206 claims made upon the insurance companies operating in Western Australia. Of these 43 only have been contested, and 23 of these have been decided in favour of the companies. During the last year, this illegally constituted State office, this Government concern, contested more cases in the courts than did all the 60 private companies operating in this State. The Government used the Crown Law authorities in conducting their court cases for them, but I can find no trace of any allowance being made to the Crown Law Department for the services they rendered to this State trading concern. The legal costs of every insurance department mount up to considerable sums in the course of a year. I now come to the question of taking sums from Consolidated Revenue to make payments in case there is a shortage. I do not know how the State office will get on with-

out any funds to start with. It will be in the position of the company to which Mr. Baxter referred, and of which I will presently give full particulars. In the "West Australian" of 8th July, 1926, particulars of a New Zealand case are cited. The report states—

This decision, as well as decisions in other analogous cases, was based on the principle of the British Constitution that no money may be taken out of Consolidated Revenue funds into which the revenues of the State have been paid except under definite authorisation by Parliament itself and payments made without that authority are illegal and *ultra vires*, and the money if it can be traced, can be recovered by the Government. That is a risk which any employer who insures with the State Insurance Department will run.

It is not generally realised that insurance companies make a great deal of their income from investments. The funds invested may have accumulated over long years. In some cases they have been accumulating for more than a century. The company to which I specially referred began accumulating funds 65 years ago. That is why it is in such a sound position to-day. It is a pity that people nowadays are not as conservative as they were with regard to the investment of their assets. In Western Australia we had a body of strong and solid conservatives who instituted a sinking fund such as does not exist in any other part of Australia, and which has now reached a sum which exceeds the sinking funds of all the other States of Australia. Despite the fact that we are a young country and comparatively poor, we have continued to build up this solid reserve. It is the building up of reserves that has made Great Britain as solid and impregnable as she is to-day. America holds all the gold at present. Had it not been for the impregnable position that Great Britain has built up over many centuries, and the unique position she occupies to-day, she would not be the financial centre of the world. She is the financial centre to-day without the gold reserve, and she occupies a place which represents the greatest asset that any nation could have. In a like manner, many of the insurance companies have built up large reserves as the result of the judicious investment of their capital and careful management. Instead of distributing the whole of the profits year after year, they have during a long period of years built up very satisfactory reserves. The Chief Secretary, dealing with life insurance companies in New Zealand, said that

the New Zealand office had done splendid work. If I quote the figures, members will realise that it knows no more about the business, as compared with the A.M.P., than any Government knows about a chicken farm. In 1911 the New Zealand Government had in force 49,376 policies, while the policies in force for the A.M.P. society numbered 42,000. I am credibly informed that the New Zealand Government office was established a year or two before the A.M.P. In 1916 the New Zealand Government had 53,208 policies, and the A.M.P. 51,188 policies. In 1921 the figures were respectively 59,189 and 60,469. In 1926—these are remarkable figures—the New Zealand Government had 65,396 policies in force, and the A.M.P. 73,040. The total sum assured by the Government of New Zealand was £18,743,000, and the total sum assured by the A.M.P. was £30,619,000. The premium revenue was greater for the Government than for the A.M.P., but there was a lesser turnover in the case of the Government office, the figures being £958,387 and £575,419 respectively. In 1926 the new business for the Government insurance office of New Zealand represented £1,883,000, whereas in the case of the A.M.P. it was £3,132,000. The net increase in the case of the A.M.P. was £1,992,000, and in the case of the Government £734,995. There is another important item in regard to this balance sheet which affords us a very tangible object lesson. The New Zealand Government Life Insurance Office had funds in reserve amounting to £7,029,584 and that money naturally would be invested in New Zealand. On the other hand, the A.M.P. Society had in New Zealand £6,249,525. Naturally, one would think that the money was invested in New Zealand too, but, on the other hand, £5,821,184 was held in reserve at the head office in Sydney or Melbourne. That money had been taken out of New Zealand as the result of excessive taxation and had been invested in other parts. Probably Western Australia has received a good part of it.

Hon. J. Cornell: That is a good advertisement for Lang!

Hon. Sir WILLIAM LATHLAIN: I do not know anything about Mr. Lang. Some of that money may have gone to foreign countries. The position I want principally to point to relates to the question of expenses. Taxation imposed upon the Government Life Insurance Company

in New Zealand for 1926 amounted to £11,964, whereas the taxation imposed upon the A.M.P. Company amounted to £18,867. If we take the rate of expenses we find that these wizards of finance, who have been able to start a concern without any money at all and can do so much better than anyone else in New Zealand, experienced a ratio of expenses to total income, notwithstanding that they paid £7,000 less in taxation, amounting to 11.685 per cent., whereas the ratio of expenses, including taxes, to the total income experienced by the A.M.P. Society was 9.833 per cent. If we take the ratio of expenses without the taxation, which is a fair comparison, the New Zealand State Insurance Company incurred expenses amounting to 10.432 per cent. as against the ratio of expenses of the A.M.P. Society, the best managed institution in the world, which originated in and has been managed wholly within Australia, was 8.385 per cent. These figures prove conclusively that the State has no right to enter upon undertakings of this description which can be run more successfully if there is no interference whatever by the State.

Hon. J. Cornell: Those figures do not prove that the people in New Zealand do not want State insurance.

Hon. Sir WILLIAM LATHLAIN: It is the people's reply indicating that they are prepared to trust a private company rather than the Government of the Dominions.

Hon. J. Cornell: They allow them to continue.

Hon. Sir WILLIAM LATHLAIN: Mr. Baxter quoted something regarding the re-insuring of Government business with another company in Victoria. I want members supporting the Government to listen to this report in regard to the Industrial Insurance Company in Victoria. It refers to a meeting held in Melbourne on the 8th November last. I will read the extract—

Reports covering the first 21 months of its operations were submitted to the first meeting of shareholders of the Industrial Insurance Company of Australia, held at the Trades Hall on Monday night.

These are people who have an insane imagination that no one can make a few pounds in profit because they carry out their business in a legitimate and economic manner

and if they do, these people consider such businesses have no right to exist. We will see how they existed—

The revenue account disclosed that the directors and auditors' fees, salaries and other expenses amounted to £2,323 8s. 7d. The amount paid in premiums was £4,244 5s. 8d., from which was deducted £1,040 7s. 11d., paid by the company for reinsurances. A loss of £3,327 17s. was shown on the operations. In the balance-sheet the nominal capital of the company was given at 100,000 shares of £1 each, less unissued shares representing £90,894 and less uncalled capital amounting to £6,829 10s. The assets given were: Cash at bank, sundry debtors and outstanding premiums, £564 10s. 1d.

That is the whole lock, stock and barrel. These people go before the public with their stories of State insurance. Mr. Baxter told us in effect that this is probably the company with which the Government of Western Australia have been reinsuring portion of their business.

Hon. W. H. Kitson: Are you sure of that statement?

Hon. Sir WILLIAM LATHLAIN: No, I said it was probably the company.

Hon. W. H. Kitson: That is a strong qualification. There are worse cases than that.

Hon. Sir WILLIAM LATHLAIN: Then the hon. member will possibly be able to furnish us with that information. Next the report sets out that the assets included £300 in Commonwealth Loan bonds. The insurance companies have invested over £1,000,000 in war bonds!

Hon. E. H. Gray: How many of the companies?

Hon. Sir WILLIAM LATHLAIN: The whole lot of them. The report continues to indicate that the other assets included—

Furniture and fittings, £146 7s. 9d.; amounts due by other companies, £157 8s. 3d., which, with other incidentals, made a total of £1,265 14s. 1d.

The meeting re-elected Messrs. R. Elliott, E. J. Holloway D. L. McNamara, L. L. Kelly, and J. H. Bradshaw as directors, Mr. M. B. Duffy as secretary, and Mr. Lynch auditor.

After a number of questions had been asked by representatives of the different unions, it was resolved that the meeting should be adjourned until 7th December to permit the shareholders to reconsider the position of the company in the light of the information furnished at the meeting. It is expected that at the next meeting an attempt will be made in the direction of winding up the company.

We may be interested in the criticism that was published in the "Argus" regarding the Industrial Insurance Company—

Sincere wishes for the success of the Industrial Insurance Company carried on in connection with the Trades Hall will not be confined to trade unionists and labour sympathisers. When workers enter co-operatively into an enterprise intended to give relief from the anxieties of industrial fluctuations everybody wishes such a worthy object to succeed. Nevertheless, the hope may be expressed that the reverse suffered by the company during its first 21 months of operations will not be without its lessons. It has been a common practice for labour members of Parliament and unionists to rail against privately conducted insurance companies and to accuse them of making enormous profits at the expense of the public. A taste of the difficulties actually experienced in conducting the business of insurance should lead to a more sympathetic feeling towards those hitherto held up to obloquy. The lesson may profitably be given a wider application. Workers are being continually urged by industrial firebrands to aim at obtaining the control of the industries in which they are engaged. The Industrial Insurance Company has been fully under the control of representatives of the workers, presumably men chosen for their greater business ability as compared with their fellows, yet they have not been able to find an easy road to success.

That is exactly the scheme the Government are endeavouring to force on the people of Western Australia at the present time. They have started an illegally constituted concern. The Government of this State should set an example to the rest of the people and yet they have flouted the law and the authority they combined to make. They have made unto themselves a law to say that, notwithstanding the determination of Parliament, they will carry on this undertaking. The Chief Secretary, as I have pointed out, stated that this House had practically sanctioned the establishment of State insurance. To show how seriously I regard that assertion, I shall oppose the second reading of the Bill.

HON. H. STEWART (South-East) [S.10]: As I have some remarks to make regarding co-operative insurance, it is fitting that I should follow Sir William Lathlain. I am at one with Sir William when he views seriously the attitude taken up by the Government in flouting the authority of Parliament and adopting a course we have resented. Especially do I adopt that attitude in view of the ruling submitted by the Speaker in connection with what he considered were the parliamentary rights of his

Chamber in his interpretation of actions taken by this House. Now we have an instance of the Government setting themselves up to be greater than Parliament. I have been waiting for the report of the Auditor General to see what comments he would offer. In view of the criticisms quoted from the Auditor General's report that I have listened to in this Chamber from time to time, I expected to find some criticism of the insurance business that the Government have been conducting in an illegal manner. Certainly what references were made by the Auditor General were nothing like as clear as his statements before 1924 regarding questionable matters affecting a Government that represented a different shade of political opinion. One of the supporters of the present Government has been active in his advocacy of State insurance and claimed, together with the Chief Secretary and other supporters of the Government, that they had a mandate from the people regarding State insurance. I do not recognise the existence of that mandate. The Hon. W. D. Johnson discussed the question and in his remarks he pointed out how the Government had adopted a truly extraordinary course of maintaining the insurance business in spite of the attitude of this Chamber last year. He said that one portion of Parliament—he was referring to this Chamber—had defeated the Government's measure, and Ministers, in defiance of that defeat, continued to carry on the insurance business. I, as a representative of a certain section of the community, wonder where we will arrive if the Government adopt, as is done to-day, such an attitude that sets a bad example to the rest of the community. We have their attitude in regard to gambling.

Hon. E. H. Gray: Would you stop horse racing?

Hon. H. STEWART: Yes, if it is against the law. Those who are in charge of our laws should enforce them or repeal them. It is not proper to govern a country and set a bad example to the rest of the people by flouting the law. We have only to look back to the period that ended in 1916 to see that a Government increased our loan indebtedness by £6,000,000 in connection with State trading concerns, the purchase of tramways, and so forth, and the people have been loaded with the cost for all time. The man mainly responsible went out of power for a few years, but the whole community has had to suffer. He is followed by another who also has a

wild orgy of expenditure and a few more millions are wasted. Yet the State progresses in spite of it all. We get down to the stage where the Government are acting absolutely illegally, and I for one, am not prepared to validate their acts. They have taken upon themselves this responsibility for the last 12 months; the onus is on them, not on us to give authorisation to their illegal actions. Let them find a solution themselves, and when they are put out of office, as they will be some day, the matter will be solved. Unless something is done, the Government, finding that their illegal actions are winked at, will go on extending them.

Hon. W. H. Kitson: What do you suggest should be done in connection with the mining industry?

Hon. H. STEWART: I have not referred to the mining industry and the hon. member's interjection is not relevant to my remarks. I am sensible of this fact: that when the insurance measure was before us in a previous session, for a definite reason this section of the Legislature recognised that an old obligation, one that had accumulated over a number of years, resulting from an industry that had conferred a wonderful boon on this country, rested upon us and that its consequences should be borne by the taxpayers.

Hon. W. H. Kitson: What will you do with the miners' phthisis cases if you take the insurance proposals away?

Hon. H. STEWART: The question can easily be determined on the basis of the applications made. The Federal Government made money available to us and the State Government expressed their determination to lay aside a certain amount of that grant to assist the mining industry. An industry can increase and prosper only when it is conducted on sound economic lines. Burdens have been imposed not alone on the mining industry in this State, but the whole mining industry throughout the Commonwealth, and these burdens have led to the killing of the industry, not only in Western Australia but throughout the Commonwealth. It is because of principles that have been brought into operation and in season and out of season, have been supported by that section of the community in power to-day, and opposed by the Country Party, that we find the mining industry in the parlous condition in which it is. Mr. W. D. Johnson, giving voice to public utterances in connection with State insurance, was responsible for a con-

fusion of ideas regarding the position of agriculturists. He said at the last Assembly elections that wherever he went he made the question of State insurance a prominent one. I know of no instance where the party at present in power sought publicity in that direction.

Hon. E. H. Gray: It was preached.

Hon. H. STEWART: The only thing that was preached was to keep it well in the background. What was mostly done was to preach "Keep Collier Premier." That seemed to be the cry everywhere and it saved the Government and their representatives.

Hon. E. H. Gray: It was a good slogan, too.

Hon. H. STEWART: Everything else was kept well hidden, including State insurance. Mr. W. D. Johnson in his public utterances stated that he, as a member of a co-operative movement, was largely interested in the question and he endeavoured to show that the farmers' association for whom he claimed to speak had certain views on the subject of State insurance and that the Bill was welcomed by them. Mr. Johnson said that he attended numerous farmers' meetings and that it was the business side of farming he was interested in, not the political side. He said he had come into contact with farmers who were keenly interested in the welfare of the agricultural industry, the man who was operating the agricultural industry purely from the producer's point of view. After attending numerous conferences where resolution after resolution was carried, urging that the organisation might do something to protect the farmers against the insurance premiums they were then charged, he was glad to say that ultimately the organisation did respond to the call. Mr. Johnson was referring to the co-operative organisation of the farmers. I have been connected with that organisation since it was inaugurated in August, 1913, and have attended most of their gatherings. Mr. Johnson joined in 1919. Those who keep in touch with the movement recognise that though I keep pretty quiet, in me they have one who knows what the movement stands for. On the other hand, they have in Mr. Johnson one whose volubility and verbosity far exceeds the number of words I have ever uttered at the various conferences.

Hon. E. H. Gray: I think Mr. Johnson joined long before 1919.

Hon. H. STEWART: The share register gives the date as the 17th May, 1919. In my case the date was September, 1913.

Hon. V. Hamersley: I joined in 1908.

Hon. H. STEWART: The hon. member was laying the trail before I came to the State. He is still carrying forward the light and holding it up well.

Hon. E. H. Gray: Is Mr. Johnson not one of your directors?

Hon. H. STEWART: Not one of mine; he may be one of the hon. member's. It is interesting to repeat some of Mr. Johnson's utterances. This is what he said—

I welcome the introduction of co-operative insurance. The Westralian Farmers, our central organisation, ultimately responded to the call of the organised farmers of the country, and decided to establish co-operative insurance. They have been operating for about seven years. The unfortunate part of it is that our organisation was not financially strong enough to carry the claims involved in the business. We were therefore compelled to join up with some organisation to enable us to carry the enormous risks.

The PRESIDENT: Order! If the hon. member is quoting from a speech delivered by an hon. member in another place it is out of order. I should like his assurance that he is not quoting a speech delivered in another place during this session.

Hon. H. STEWART: I am not quoting the whole of the speech delivered by Mr. Johnson. I quoted verbatim a few words in certain directions. I was quoting the hon. member's public utterances dealing with the question of insurance and my desire was to draw attention to his attitude in connection with the matter.

The PRESIDENT: Am I correct in assuming that the hon. member is quoting from a speech made in the Legislative Assembly during this session?

Hon. H. STEWART: Mr. Johnson is well known as having taken up the cudgels on behalf of the farmers. He claims to represent the farmers' co-operative organisation. At a meeting held during show week of the shareholders of the Westralian Farmers Ltd. certain questions were asked in regard to insurance matters and why the Westralian Farmers could not conduct their own business without being members of the Underwriters' Association. Amongst other matters the shareholders asked why they could not act independently of certain combines and associations such as the jute merchants, the National

Council of wool selling brokers and the fruitgrowers' association. Mr. Johnson was present at that gathering and voiced his opinions. The General Manager of the company said, "We will take them one by one, and see what the position is." There was not a doubt amongst the fruit-growers regarding organisation because of the success that had followed marketing, the reservation of shipping space, obtaining of supplies for packing, and the export arrangements for orderly marketing. Then arose the question of belonging to the National Council of Wool-selling Brokers. Unless the organisation joined that council, they would not be in a position to join with others in arranging for the orderly marketing of that quantity which the trade throughout the world could absorb. So it was decided to be necessary to join the National Council of Wool-selling Brokers. Similarly in the case of jute, in connection with which it was pointed out that the parent company of the co-operative movement in Western Australia took up this attitude, that in joining the various associations they joined for orderly marketing, and that as long as those associated with them would assist to stabilise markets and prices they would remain in for mutual protection, but that if the others sought to profiteer they themselves would pull out. As regards jute this year the position arose that the co-operative company thought the price too high; and when they could not get a reduction made by the jute association, they pulled out and reduced the price themselves. Being asked to explain their action, they replied that the price was too high and amounted to profiteering. They reduced the price by 6d. per dozen bags. Then the question of insurance and the Underwriters' Association came up. Mr. Johnson takes the view that there the Westralian Farmers Ltd. were too weak at first, that when they started the company in which he was a shareholder they wrote so much business, in comparison with the capital, that they were compelled to go to the trade for protection. The manager of the Westralian Farmers freely said that they went into the association for their benefit and protection. Anyone even slightly acquainted with general insurance knows full well that no company and no person, nothing but a State concern, could dream of going into the insurance business without re-writing some of the risks. Therefore, if Mr. Johnson takes the view that the co-operative company should endeavour to go on their

own, and that failing this they should call upon the State to establish a State insurance office, and he has sought to convey the impression that he represents the real farmers, and has publicly stated that they desire State insurance; but I will submit to hon. members a resolution against State insurance carried at the Co-operative Conference. Mr. Johnson himself at the meeting in question said the State was going into the insurance business to help the farmers to arrive at a position where they would be able to carry on. At that meeting, which I attended, the question of the imposition of unfair rates was never raised. When shareholders asked that there should be a common policy for hail and fire on crops, the management pointed out that they were working in this direction. The management further said that throughout their connection with the Underwriters' Association it was clearly understood that they were in it for mutual benefit, and that the co-operative company, by placing their viewpoint regarding the section of the industry immediately concerning them, had succeeded in causing the attitude of the other companies to be modified more than would have been the case if the co-operative company had been outside the association. The co-operative company's statement is that since the inception of their insurance department they have been a member of the Underwriters' Association, which they joined freely and of their own accord, without pressure in any shape or form being brought to bear on them. They state—

We joined for our protection, as the objects of the association are to promote sound practice in the insurance business and friendly co-operation in all matters of interest to those engaged in the business. By being a member of the association, the company has a voice in its deliberations, and has been able, with the sympathetic assistance of the members of the association, to protect the interests of the primary producers.

The interests of the primary producers lie in this direction, that as the Co-operative Federation of Western Australia have a large number, well over 80, of co-operative companies affiliated, these all act as agents. In any business done the people concerned in co-operative insurance participate not only as to the benefits of insurance but also as to profits if the business is successful. Each smaller co-operative company acting as agent for the parent company receives commission. The whole tendency is to eliminate unnecessary expense and to utilise existing organi-

sations. If anyone says that the co-operatively combined farmers of this State want State insurance because their efforts to secure lower premiums failed, I should like to put on record a resolution carried by the seventh annual conference of the Co-operative Federation of Western Australia held on the 25th August, 1926. Here is an extract from the conference minutes—

The matter of the State Insurance Department which the Government proposed forming was discussed. The Hon. T. H. Bath moved:—"That this conference of representatives of co-operative companies and societies respectfully brings under the notice of the Hon. the Premier that many clients of the Industries Assistance Board are shareholders of such co-operative organisations, and that it is an injustice to compel them to insure with the State Insurance Department, and thus deprive them of the benefits they would derive by insuring with the co-operative enterprise which they have themselves created."

The resolution was seconded by Mr. Richards and was carried unanimously. So that if anyone asserts, as Mr. W. D. Johnson has asserted, that the co-operative companies and organised farmers of this State want State insurance, my reply will be that resolution. I do not believe in the Government carrying on insurance illegally. I have said that I looked for the Auditor General's report, being anxious to know whether it would contain any comments on the State Insurance Office. One point I noted—and I am glad I noted it because of Mr. Baxter's and Sir William Lathlain's remarks in the same connection—was that as to I.A.B. re-insurance the amount set down was £5,000 paid to a supposed company of straw, the total paid-up capital of which was £4,000. If we cannot admire the business acumen of that transaction, we can admire the sort of friendly co-operation and feeling of sympathy with others engaged in industrial insurance. The amount of information given by the Auditor General as to the State Insurance Office is surprisingly and disappointingly meagre. He writes—

The report for the year 1925-26 gave the text of the minute of the Governor in Council under which State insurance was established.

I have not been able to hunt up that minute, but I fail to see how it could make the establishment of the office in 1925-26 legal. The Government sought for an authorisation; and when we gave them an authorisation they ignored it, would not accept it. The Auditor General's report, referring to employers' liability insurance, which was ear-

ried on throughout the year 1926-27, finishes up by saying nothing very much. After quoting the statement of receipts and payments, the report shows that claims totalled £17,000, that there was a credit balance of £32,000, and that collections, mainly premiums, amounted to £52,000. The Auditor General further says—

The premium rates supplied were stated to be those charged by the insurance companies at the time the State office was established, with an addition of £4 10s 6d. per centum in regard to certain industrial diseases associated with mining. Following the practice of insurance companies, the larger insurers are paying their premiums by instalments. When the examination of the accounts was completed in August, 1927, a complete set of accounts had not been written up. Therefore the cash transactions only have been dealt with.

So there was a big loophole for quite a lot that we do not know anything about. With this scant information before us, I am reminded of the scriptural quotation, "Because thou art lukewarm, and because thou art neither hot nor cold, I will spew thee out of my mouth." It is a lukewarm report and entirely disappointing. I listened with interest to the remarks of the last two speakers, and was glad of the information given by Sir William Lathlain. But I must candidly say that the way in which he quoted these figures, the rises in the volume of business and the number of premiums as against the New Zealand State Insurance Department and the A.M.P., was not amazing. He showed an increase of 10 per cent. over a period of five years, gained by the A.M.P. over the New Zealand office. I thought he was going to say that while the New Zealand State office had risen from 59 to 62, the A.M.P. had risen from, say, 60 to about 120. When we take all things into consideration, when we consider that New Zealand was so handicapped in being a State department, I think that for a State insurance department it was really a wonderful achievement to increase their business steadily from year to year. At the same time, when compared with private enterprise we know that it is not going to be in the best interests of the State; that we shall have an increased army of civil servants who, judging by administrative acts during the last four years, are more or less subject to the influence of power in temporary possession of the Treasury benches. Consequently the best thing we can do is not to carry the second reading. On general grounds, and on the ground of

dissociating ourselves from the illegal acts of the Government, I appeal to members not to support the second reading.

On motion by Hon. G. Potter, debate adjourned.

BILL—AUDIT ACT AMENDMENT.

Received from the Assembly and read a first time.

House adjourned at 9.50 p.m.

Legislative Assembly,

Tuesday, 22nd November, 1927.

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

QUESTION—RAILWAY CONSTRUCTION, LAKE MOLLERIN EASTWARD.

Mr. LINDSAY asked the Premier: Do the Government intend to introduce during this session a Bill to authorise the construction of a railway from Lake Mollerin eastward?

The PREMIER replied: No.

BILL—AUDIT ACT AMENDMENT.

Read a third time, and transmitted to the Council.