

tween the policy set out by the Premier and that of the Chief Secretary. I want to make it clear that our attitude on this Bill is not to be taken as an indication of our attitude on the other Bills that are to come down. It has been said by the Premier that the whole plan is indivisible. We do not subscribe to that. We are going to divide it, and we are not shaping our attitude on this Bill as an indication of what our attitude will be on the Bills that are to follow. I have outlined what the policy of this party has been, and what should be done. The position now is that there has been an agreement by all Governments to reduce interest by this method. If the voluntary conversion fails, that will still leave the field open for the taxation that we have advocated in the past. We stand for the principle of relieving the community from the enormous interest burden with which it is faced at the present time, and with that in view we do not propose to offer any opposition to the Bill. We think our proposal will work with far less inconvenience than the measure before us. Here is an agreement, arrived at by all Governments, that can be put into force, and we are not disposed to discard that by reaching the end that we desire, merely because we are not arriving at that end in the manner by which we would wish to do so. Our attitude on the remainder of the scheme will be indicated when the Bills are presented to Parliament.

On motion by the Attorney General, debate adjourned.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Returned from the Council with an amendment.

House adjourned at 6 p.m.

Legislative Council,

Wednesday, 1st July, 1931.

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

QUESTION—CAVES HOUSE, RE-BUILDING.

Hon. G. FRASER asked the Minister for Country Water Supplies: 1, Is the statement appearing in the "West Australian" that the Government have no funds to rebuild the Caves House correct? 2, Were the premises insured; and, if so, (a) for what amount, and with whom, (b) what has become of the money?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, Yes. 2, (a) The premises were insured for £12,000 with Messrs. Bennie S. Cohen and Son (W.A.), Ltd.; (b) the sum of £3,283 was recovered from the insurers for the damaged portion of Caves House, of which £1.106 17s. 1d. has been spent in replacements, and the balance of £2,176 2s. 11d. is in the Treasury (Trust Account).

BILL—FIREARMS AND GUNS.

Report of Committee adopted.

BILL—WORKERS' COMPENSATION.

Second Reading.

Debate resumed from the previous day.

HON. SIR EDWARD WITTENOOM (North) [4.37]: My remarks on this Bill will be brief, at all events for the present. The measure is certainly one of the most puzzling within my experience. It puts me in mind of the old saying concerning the curate's egg, which was good in parts. One can hardly realise the source from which the Bill originated, when many of its clauses are considered.

Proceeding from a Government whose policy is hostile to State trading concerns, the measure has for its leading feature a State monopoly. In such circumstances what are the supporters of the Government to do? For my part I intend to support the second reading, in the hope that several amendments will be made in Committee. First, as regards compensation, the amount should be reduced from £500 to £400 or less. Secondly, the composition or personnel of the commission should be changed from that proposed in the Bill. Thirdly, a contractor should not come within the definition of "worker." Fourthly, a clause should be introduced permitting any person to insure where he likes, either with the Commission or with an insurance company. In the event of these amendments not being accepted in Committee, I reserve to myself the right of voting against the third reading of the Bill. Again, if the Minister in his reply indicates that he is distinctly opposed to, and will not accept, any of these amendments, I may quite possibly vote against the second reading. The measure as it stands is extremely drastic, so much so that I fear every employer will hesitate to engage more workers than he can possibly help, especially if Mr. Drew's amendments to the Second Schedule are carried.

HON. V. HAMERSLEY (East) [4.42]: Like Sir Edward Wittenoom, I view this measure, coming from the source from which it originates, with some degree of hesitancy. No doubt it will require earnest consideration on the part of all members, and I anticipate that before it passes we shall encounter various stumbling blocks. I sincerely hope that the measure will reach the statute-book, with some modifications. My support of it is mainly due to an argument used by the Minister who introduced the measure in another Chamber. It is so essential to bring down the cost of production that we must make up our minds whether the Bill is likely to help towards that end. In this country we have reached a stage where, according to all the figures I have seen, the cost of production has been steadily rising for years, and more particularly since various alterations have been made in this legislation. They were made in boom-time, when it was possible to give greater consideration to the welfare of the worker and to rendering more favourable

his conditions of working. We all readily agreed with that policy when we could afford to pay the amounts involved. But now it is a serious question whether, if we can no longer afford to pay those amounts, industry shall stop. Fair compensation to injured workers, whether covered by insurance or not, is an important feature. I realise that it is an essential consideration, whether we call the proposal of the Bill a State monopoly or anything else. Every worker coming within the measure is to be insured, whether the employer takes out an insurance policy or not; and that seems to me only fair. Many employers are probably not financial enough to take out cover for their workers with private companies. In the past many of them have employed workers without covering them, notwithstanding the compulsory nature of our compensation law. Those employers were not in a position to take out insurance policies. Men have worked with them in all good faith, never anticipating an accident, but all co-operating in the effort to make a success of the job. The Bill covers the whole of that ground, and in that respect seems to me eminently fair. In future there will probably be many more cases of employers unable to cover their workers, but those workers will nevertheless be entitled to proper medical attention and adequate hospital treatment. In that direction the measure contains a great deal that is to be commended. My fear is that the Bill will not be policed sufficiently by the proposed board. In the past, when companies have operated, they have taken upon themselves the responsibility for the compensation to be paid. And naturally they are going to police the measure as far as they can and see that they keep down the expenses to the lowest limit, because it is their misfortune if a great number of claims come in against them. But if we make this a State monopoly, I do not see who is going to police it. Like so many other Government departments, it will run away with itself. And the fund will be raided from time to time, not only by doctors but by hospitals and by individuals who may be only slightly injured but who will lie up for a long period. There is a grave danger of that. We have heard of that in connection with workers' compensation for a long time past. Claims that in the old days would never have been put for-

ward have been made upon employers because the workers knew their employers had taken out an insurance policy with the companies. Those fellows have put in claims they would never have submitted had it not been that the employers were insured. I am confident the effect of this insurance has been to create a great many more injuries, and to make much more of those injuries than was ever done before the days of workers' compensation.

Hon. E. H. Harris: Who has made more of the injuries, the medical men or the workers?

Hon. V. HAMERSLEY: The medical men. One has only to look into any of those returns to see that the doctors have been able to get very much more from the fund than could the worker himself, or even the hospital concerned. To hand this over entirely to the doctors, to put the control even more into their hands, would be disastrous. Because, after all, although we know the chairman of the board is to be relied upon, there are the other two members of the board, one a representative of the Employers' Federation, and the other a representative of the A.L.P. executive. I do not know that I personally feel satisfied with either of those two members of the board who will be in charge of this measure. I know that a great many people feel that those two members will remain direct representatives, the one of the Employers' Federation, and the other of the A.L.P. There are many employers of labour who do not feel they require guidance from those members of the board, and I am afraid that if they accept that guidance they will find themselves very much misled. If we take away the power of the local courts in respect of this compensation, it will remain entirely a matter to be dealt with by the board. But a great many people feel that they want the right of appeal, of testing their case before the court. That they should be left entirely at the mercy of the board is rather a severe strain. Regarding the amount of compensation, I feel that in the circumstances in which we find ourselves to-day this measure does not make the reduction we could reasonably have expected from the remarks of the Minister who introduced the measure in another place, and who said we had to get the costs down. Yet we see in this schedule the very high rates we have had in the past.

Mr. Drew, I notice, has a large number of amendments on the Notice Paper. Evidently he has the idea that we shall go along as before. But it has been impressed on my mind that we cannot afford these rates, and so will have to reduce them rather than accept any increase, or even allow them to remain as they are. The reduction of the medical fees from £100 to £52 10s. is, I think, a move in the right direction, and I contend they should come down considerably lower than that. I do not want members to run away with the idea that I desire merely to hack into the figures without any care; but we must realise that to-day the value of money is a very important factor in industry, and that it is recognised that we must get down these costs in industry, or at all events in those industries we wish to encourage. But we do not want to leave any loophole for these extreme charges to be brought in to hamper or interfere with anybody who wishes to embark in industry in this State. These various charges by the doctors have been given a fairly wide margin, and to-day £52 10s. is really quite as good as was £100 two or three years ago. Even with the proposed reduction, the fees have not been brought down sufficiently low. It is a point that requires to be carefully guarded in this legislation in which we fix a definite amount; for undoubtedly it will have a tendency to create in the mind of the worker the idea that he can go along pretty freely, that it is all right, that there will be sufficient in the fund to cover his medical expenses. In regard to this fund, the commission will strike a rate on all industry to cover the insurance costs, and they will be able to divide the industries into so many grades. I cannot see how we are to get over the difficulty, but when no appeal is provided for there is a very grave danger that the grades may be quite unsuited to certain industries. For instance in the Railways we have differential rates. Wool was charged a very high rate indeed because it was thought the woolgrowers were making such enormous profits. It was not because there was any extra trouble in the carrying of the wool, nor because of any great deal of booking in respect of wool. There was no difficulty about that. Yet an extremely heavy rate was imposed upon wool because it was a valuable commodity. Similarly a very high rate was put on tim-

ber because it was felt the timber companies were making a lot of money. In the same way there are various other lines that would be charged on that ratio, and so there may be some differential rates fixed for insurance that would be a direct handicap on some industries. And those rates might not be properly differentiated as the insurance companies differentiate them, by putting higher rates on to an industry that is making too many claims. Naturally the companies put higher rates on such industries. I can quite see that the other scheme might be adopted if we make a monopoly of this. For instance, if we take that formula giving a comparison of rates, I have very little sympathy with the companies for their rates in connection with the industries in which my constituents are concerned. Take land clearers. By way of comparison, I may mention that in New South Wales the rate was 150s. per cent. with explosives, and 48s. per cent. without explosives. The rate fixed by the insurance companies here was 250s. per cent., while that of the State office was 200s. per cent. The rise in the companies' rates over the 1912 rates was 316s. per cent., with explosives. That is an enormous increase; and the strange thing is that without explosives the rise in their rate was 525s. per cent. That is one of those anomalies which I cannot understand. Why, first of all, should the rate be so extremely high where our maximum liability is £750 as against £1,000 in New South Wales; why should the insurance companies have a rate of 100s. per cent. higher with explosives, and why should it be the same rate without explosives? The farmer in New South Wales has a rate of 30s. and in Western Australia the figure is 65s. Here the rate has gone up 188.9 per cent. since 1912. I notice in the comparison of rates that in New South Wales for the fruitgrower it is 30s. per cent. and for the hide and skin stores 38s. The insurance companies of Western Australia have a rate for fruitgrowers of 65s. and for the hide and skin stores 50s. It is strange that in New South Wales the fruitgrower should pay 30s. and the hide and skin stores 38s., and that in Western Australia these figures should be reversed. The risks incurred by fruitgrowers are nothing in comparison to those associated with the dealing in hides and skins. That seems to be recognised in New South Wales but in Western Australia the rate is much greater

in respect of the man who is fruitgrowing than for the person who is dealing in a line that is much more risky. It is admitted that the timber-getter is one of those who is occupied in a somewhat dangerous occupation, and because of that the rate is 150s. per cent. in New South Wales, whilst here it is 500s. per cent., and in our State office 400s. per cent. The increase in Western Australia over the rate of 1912 is 69.2. The same thing applies in connection with well sinkers. In that occupation rates have gone up to an extremely high figure and it seems to me that they have been fixed because of the amount of money that has been put into the industry. To a certain extent those engaged in such industries have been looked upon as fair game, and although the companies fix the rates upon the enormous claims put in, there is, I admit, considerable danger attached to the work, and I do not know how we would be able to police the business if the State got control of this insurance. There is a fear that this may develop into another taxation matter similar to those adopted by Governments from time to time. We have had experience of these things, and already we have seen in one or two instances that Governments have got in on the funds. That is what I fear may happen in this instance, that the Government may fix the rates so that revenue may be derived from that source. There lies the danger, and I can realise that many members will be more disinclined to support a proposal of that kind than have the competition of the companies with the State enterprise. I have read several of the reports of commissions that have inquired into the question of workers' compensation. In New Zealand the commission was against its being a monopoly and found that it was in the interests of the workers as well as of the employers that there should be competition. We usually recognise that healthy competition is a good thing if we can only get it. There is a tendency on the part of the insurance companies to put their heads together and impose charges that enable them to make huge profits. Naturally they do not like to disclose those profits and they are able successfully to hide them. Likewise it is realised that the companies are not here for their health's sake, that they enter upon this kind of business in order to make profits. All the more power to them. I am glad to find that some companies are successful in their operations in

spite of all the obstacles that are put in their way. They are shrewd enough to achieve success, and naturally we come across a number of people who would like to establish themselves in a similar line of business. I assume that several of the State departments would like to do the same thing. What I fear is that whatever we do in connection with this we shall have to be very careful that we do not scare employers who, at this juncture, require every encouragement. I realise that the companies have made an offer to reduce their fees by a considerable sum. I regret that they did not make those reductions before. It is because of the rates that were in force that they have incurred this opposition. We not only want a reduction in the cost of production in connection with this matter, but we do not want the Government to stop at this measure. In every other direction costs must come down. I commend the Government for at least taking up this matter very earnestly. Their endeavour in this direction shows that it is their desire to carry out the wishes of those who are engaged in the various industries. Thus the Government deserve every encouragement and we should see that they continue along the same lines, and get down the cost of production in every possible direction.

Hon. G. W. Miles: It is not like creating a State monopoly.

Hon. V. HAMERSLEY: In some instances it may be necessary to do so where the companies have got their heads together. They are not the only people who have put their heads together, and we have not been able to get redress. Recently I was looking at some figures in connection with returns of my work, and I noticed that shipping freights last year were four times higher than they were some years ago. We find also that the charges in connection with handling are much greater than they were. Many of those charges are two and three, and in some cases, four times what they were a few years back. We must return to the period when we were so much better off, in 1906.

Hon. Sir William Lathlain: That is a long time ago.

Hon. V. HAMERSLEY: It is, but our position should be even better than it was at that time. We are continually being told that we are making a forward move. The position generally may be better for one section of the community, but not for those

who have embarked their capital in enterprises.

Hon. H. H. Harris: Do you say that the State has not progressed since 1906?

Hon. V. HAMERSLEY: It depends upon what the hon. member calls progress. I say we are in a much worse position than we were in 1906. The encouragement given to-day is not the encouragement that people had at that time. The position is reversed. Therefore we must go back over our tracks and find out how it is that we have gone wrong. If the Bill we are considering and the monopoly proposed mean that there will be a gain, then we must embrace it. The mere fact that the Government have put up this proposition has already brought from the companies, suggestions that they will accept a drop of 30 per cent. in the rates. That is a splendid gesture, but I say, "Let us get even a little more," and see whether more bargaining can be done in other directions as well. It is only by doing something in that way that we shall succeed in getting what the community desires, and that is a considerable reduction in our costs. I will support the second reading of the Bill, and will watch its passage through Committee with interest. I trust we shall put on the statute-book a measure that will be better than the one the place of which it is intended to take.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [5.13]: The Government to-day have placed many of us in an awkward position because, while we desire to give them every possible support, they have in the present instance introduced a measure, and although they do not call it State trading, it is in my opinion another State trading concern. It is against my principles to give support to any more such ventures. The peculiar thing about the Bill is that Mr. Drew stated definitely he did not intend to support it, and Mr. Kitson, by way of interjection, declared that he considered that the State insurance part of it—the compulsory part—was the great remedy for all evils, and that it was the best part of the Bill. I beg to differ from those gentlemen on that question. While we are called upon to sacrifice a principle or, as an alternative, accept the present Bill with the commission as furnishing some amelioration in the cost of workers' compensation, thus lessening the load upon in-

dustry, I will have to give the whole matter serious consideration before arriving at a definite decision as to whether I shall support the second reading of the Bill or oppose it. In his opening speech, the Minister quoted the position in many American States. The mass of information he placed before the House did not supply us with one tittle of evidence to support the proposal in the Bill. We do not know what is the position of the insurance companies in their relation to the States in America, nor do we know the position of the insurance companies themselves.

Hon. J. Nicholson: In America they encourage private enterprise.

Hon. Sir WILLIAM LATHLAIN: That is not the position here. From the very inception the insurance companies are not taxed on their profits but on their premiums. According to a statement in the Legislative Assembly by the Minister who dealt with the Bill, the amount received by the various companies was £230,000 and on that they were compelled to pay 2½ per cent. in respect of the premiums they received. That represented £5,870. In addition, the companies are called upon to lodge a deposit of £5,000 each. That cannot be regarded as encouraging private enterprise; it imposes a penalty upon the people as a whole. When a former Government imposed a tax on insurance policies, it was stated that the impost would be paid by the insurance companies. Everyone who receives a policy knows that he and not the insurance companies is called upon to pay the tax. When reviewing the position of insurance companies in America, we require to know whether the conditions are on the same basis as those operating in Western Australia. We have been told that the State Insurance Department's administrative costs are less than 5 per cent., but I do not think any man in his ordinary senses would accept that statement as being correct. In one instance, the Department paid over 90 per cent. of their receipts, leaving a small margin for other expenses. We have some idea of what the expenses of Government concerns represent. That reminds me that I have an excellent example to show how such costs mount up. I have had handed to me 13 stamped envelopes sent to one man who owns 13 motor vehicles. He has had sent to him a voucher for each particular vehicle and enclosing each voucher

was a separate envelope bearing its particular stamp. Included in the 13 stamped envelopes were 13 additional stamped envelopes forwarded to that gentleman in order that he might return the 13 vouchers and thus enable his 13 motor vehicles to be re-registered!

Hon. G. W. Miles: We should have a Royal Commission to inquire into that.

Hon. Sir WILLIAM LATHLAIN: When we know of such extravagance as that—no commercial house would be guilty of such amazing waste—it helps us to attach the proper amount of weight to the statement that the State Insurance Department can handle insurance business so much more cheaply than can outside companies.

Hon. G. W. Miles: No wonder we have a deficit of £1,500,000!

Hon. W. H. Kitson: What has State insurance to do with that?

Hon. Sir WILLIAM LATHLAIN: I am discussing the Insurance Department which is a Government concern. If Mr. Kitson will only listen, he will realise that my diatribe is against State trading, and the Insurance Department will prove another of the enormous failures Governments have created.

Hon. E. H. Gray: Would you advocate private enterprise police?

Hon. Sir WILLIAM LATHLAIN: I might, if I desired to arrest the hon. member. The Bill will impose hardships in more ways than one. It specially mentions municipalities. Mr. Franklin can bear me out when I say that under their present arrangements the City Council have been able to effect insurances with one company at rates lower than those charged by the associated insurance companies in this State. If the Bill be agreed to, the City Council will be deprived of their right to place their insurances with the company that has given them every satisfaction in the past, at rates lower than those charged by other companies.

Hon. E. H. H. Hall: Municipalities should carry their own insurances.

Hon. Sir WILLIAM LATHLAIN: And so should private companies.

Hon. C. H. Wittenoom: The municipalities have that right in Melbourne.

Hon. Sir WILLIAM LATHLAIN: Regarding the personnel of the commission, I am in agreement with Mr. Nicholson in his criticism. We have in the Arbitration Court an example of a tribunal composed

partly of representatives of the two opposing sections, employer and worker. I cannot remember any particular instance in that court in which a unanimous decision was arrived at where a vital principle was concerned. If any such commission as that contemplated by the Bill is to be set up, I favour one that will be entirely independent, representative neither of the employer-class nor of the worker-class.

Hon. H. Seddon: It may be difficult to get such a board.

Hon. Sir WILLIAM LATHLAIN: It may be difficult, but I think there are many men in the community who keenly desire to help their country, and I am convinced that a proper selection could be made.

Hon. E. H. Gray: Such a board would be weighted against the workers.

Hon. Sir WILLIAM LATHLAIN: We are always hearing about the workers; there are others besides the workers!

Hon. G. W. Miles: We are all workers.

Hon. Sir WILLIAM LATHLAIN: If Mr. Gray had the experience of some of the employers at the present time, he would have more consideration for them.

Hon. Sir Edward Wittenoom: He would be glad he was a worker.

Hon. Sir WILLIAM LATHLAIN: That is so. Clause 9 sets out that the commission may, with the consent of the Minister, establish branch offices and agencies and close up and abolish any so established. Here we have the same indication that typifies Government concerns. They want to extend and grab everything, like an octopus. It was the same when the sawmills were established first. At the outset they were regarded as quite a good thing. But in order to make the milling side of the business more prosperous, the department had to start joinery works. Not satisfied with that, they went in for ironmongery, and sent out travellers seeking orders. Eventually the same position will arise in connection with the insurance commission.

Hon. G. W. Miles: Do you know they have started another State trading concern? They have started retailing petrol. I will ask a question about that to-morrow.

Hon. E. H. Gray: At any rate, the sawmills have returned thousands of pounds to the State.

Hon. Sir WILLIAM LATHLAIN: I do not care what the State Sawmills have returned: I am concerned with the principle.

Irrespective of whether they are paying concerns or not, I would get rid of the lot of them; State Sawmills, State Hotels—every one of them. Clause 14 deals with the liability of employers and is one of the most important in the Bill. It contains a most deceptive proviso. It reads, *inter alia*:—

Provided that if an employer proves to the satisfaction of the Minister that such an employer has before the commencement of this Act established a fund for insurance against liability in respect of injuries suffered by workers employed by him, and has deposited at the Treasury securities charged with all payments to become due under such liability, the Governor may exempt such employer from the liability to make contributions under this Act;

Why should the man who is in that position at present be the only one to be allowed to undertake his own insurance? Is no other man who desires to do so, to be allowed the same privilege? There is a nigger in the woodpile for the proviso continues—

—and may at any time revoke any such exemption.

That means that the head of a firm may innocently, and with the best of intention, set up his insurance scheme, something similar to that carried on by Millar's, and yet he may be penalised at any time by having the exemption cancelled. In that event, the head of the firm would be forced into the State Insurance Department, under the control of the commission.

Hon. J. Nicholson: Will that encourage industry?

Hon. Sir WILLIAM LATHLAIN: It will discourage industry to a great extent indeed. Subclause 4 of Clause 21, which deals with the assessment of contributions, sets out that when an employer is engaged in industries belonging to different classes, he shall be separately assessed in respect of each class. Hon. members should realise that that is a most important provision. The existing Act is not wide enough in its application in this respect, and not nearly enough divisions are made in industries. I will cite the position in connection with my own business. Under the existing Act I pay a rate of 3s. for the whole of my clerical workers, and for the shop assistants I pay at the rate of 10s. The shop assistants in my business are handling drapery lines only, and they are no more liable to accident than are those engaged in the office doing clerical work. On the other hand, if

we consider the position of the larger emporiums, it will be appreciated that the shop assistants there are engaged in the grocery departments where electric cutters are in use and they are thus liable to meet with accidents. In other departments, glassware, crockery, ironmongery and various lines are dealt with in which the liability to accident must be considered greater than in my business that deals strictly with drapery lines. The embracing of all those different phases of work under the general heading of "shop assistants" is not fair to those who are less liable to accident. There is no desire on the part of anyone to deny the right of any employee to receive proper compensation in the event of an accident, but there should be a much wider classification of those engaged in various industries.

Hon. E. H. Harris: Does not this Bill provide for classification by the commission?

Hon. Sir WILLIAM LATHLAIN: But the commission may adopt the present classification. Mr. Drew was very sympathetic in his references to the worker. We are all sympathetic towards the worker. In that I give place to nobody.

Hon. G. W. Miles: Not even to Mr. Gray.

Hon. Sir WILLIAM LATHLAIN: No, and he is a faithful supporter of the party. I should like such members to realise that there are other, here who are just as sympathetic to workers who may be injured, but we have to ask ourselves whether, under existing conditions, we can afford to pay the rates of compensation for injuries that we have been paying. We should very much like to pay more, but we cannot do it. The president of an arbitration court once said that if an industry could not afford to pay the wages prescribed, it should go out of existence. That has been the experience; numerous industries in Australia have ceased to exist because they could not afford to pay the rates prescribed by the arbitration court.

Hon. Sir Edward Wittenoom: Half a loaf is better than no bread.

Hon. Sir WILLIAM LATHLAIN: While I desire to do all I can for the worker, Australia, and particularly Western Australia, cannot afford to pay the present high insurance premiums. If a man loses an eye or a limb, no compensation is adequate for the injury. It is merely a solatium; that is all the Legislature can give and the Second Schedule should provide only such

compensation as the country can afford to pay. I hold strong opinions on workers' compensation. There was no necessity to introduce this measure in its present form. It would have been much better to amend the Act, and deal with it on the same basis as Governments throughout Australia are dealing with other things, namely, make a 20 per cent. reduction. It would have been quite easy to make the necessary amendments to medical expenses and to readjust the Second Schedule to meet existing conditions. With those amendments and adjustments, the Act would then probably have been, as Mr. McCallum described the existing Act, the finest in the world. I am opposed to any monopoly of workers' compensation insurance. If the Bill reaches the Committee stage, I wish to see that provision amended. I shall agree to no monopoly to the Government or to anyone else. We have had experience of monopolies in relation to wheat and other things, and many fingers have been burnt in the process. When a man is conducting his business as he thinks right, he should not be compelled by law to insure only with a State monopoly. I hold no brief for the insurance companies, but it is fair to mention that they made a distinct offer to reduce their charges by 30 per cent. That offer was based on the Bill as it was introduced in another place, when the limit of remuneration to qualify a worker for benefits under the measure was £400. When the Bill was passing through another place, the Minister for Works agreed to increase the amount to £500, thus increasing the liability. Why that should have been done at a time like the present I cannot understand. Had the Bill contained the £400 limit, the insurance companies would have stood to their proposal and reduced premiums by 30 per cent. That would have been a distinct gain to industry. In view of the increase from £400 to £500, it is no wonder that the insurance companies have withdrawn their offer, as I understand they have done. It has been said that the insurance companies would undertake only certain risks. When the matter was being discussed on a previous occasion, it was stated that the reason why the companies could not quote for certain miners' diseases was that they had not been furnished with authentic information to enable them to calculate the liability.

Hon. G. W. Miles: The Government do not know their liability yet.

Hon. Sir WILLIAM LATHLAIN: And it was impossible for the insurance companies to calculate their liability. I shall listen with interest to the views of other members and shall then decide how to vote on the second reading. However I vote, I strongly protest against granting a monopoly to the Government or anyone else in workers' compensation insurance business. The Government have no right to interfere with an employer's method of conducting his business. Although the Government propose to give the right to present self-insurers to continue their own forms of insurance, the provision reserving that right to them could be withdrawn at any time, and its presence in the Bill is of no value.

HON. W. H. KITSON (West) [5.39]: From what I have heard of the debate, I think I shall find myself in strange company when the division is taken. I have been surprised at the sentiments expressed by some members, particularly those who have stressed that this is a workers' Bill. Naturally, any measure dealing with workers' compensation could be described as a workers' Bill, but it might not be in the best interests of the workers. While there are some features of the Bill that I favour and would like to see given the effect of law, there are objectionable features outweighing them. Hence I shall vote against the second reading. The Minister, in his speech, submitted two main reasons for the Bill. The first was that the burden of workers' compensation on industry was so great as to be unbearable and the object of the Bill was to lighten that burden.

Hon. Sir William Lathlain: It is one of many burdens.

Hon. W. H. KITSON: The second reason was that exploitation had occurred during the last year or two under the existing Act, due to workers indulging in self-mutilation to secure compensation under the second schedule, and to doctors exploiting the provision of £100 for medical expenses. Doubtless those were two excellent reasons. Even admitting the first reason to be valid, namely, that workers' compensation is a big burden on industry, particularly at the present time, is it right to contend that the injured worker should bear that burden? Is it right to insist that the man injured in industry, probably seriously, and even permanently, should have to make up the dif-

ference between what is considered a fair charge on industry and the present burden? By no stretch of imagination can that contention fairly be maintained. As to the question of exploitation of the second schedule, the Government could have introduced amendments to prevent that. It has been said that workers in the timber industry indulged in self-mutilation by severing their toes. Surely the Act could have been amended to deal with cases of that kind. If it is considered impossible, somebody must be at fault, because I could suggest an amendment that would provide sufficient safeguard. It appears to me that the Bill has not been brought down for those two reasons in particular, but that it has been introduced to satisfy certain sections of the community who, for the last 18 months or two years, have been urging that alterations be made to the second schedule.

Hon. E. H. H. Hall: Those people will not be satisfied now.

Hon. W. H. KITSON: And they never will be satisfied. During the last couple of years we have witnessed what has been, I suppose, the most intensive propaganda in regard to workers' compensation that has been undertaken in any State of the Commonwealth. Hardly a week has passed without some reference to it, some article in the daily or weekly Press, particularly to the fact that some men have allegedly and wilfully cut off a toe. In those cases where there has been any reason to assume that this kind of thing has been done deliberately, it has applied only to the timber industry. In most cases, too, it has applied to those who are not of Australian nor of British nationality. Even there it is possible to provide means to overcome the objection. From time to time statements have been made that this kind of thing has taken place on a fairly large scale. I have not yet seen any report giving the details of these cases. I have, however, seen it stressed that a certain foreign worker employed in the timber industry did manage to have one particularly clean foot before he met with an accident to that foot. That case has been quoted on numerous occasions. On account of it, and perhaps one or two other cases, we are told it is necessary to amend the Act, and that not only will the Second Schedule be altered as it affects injuries to toes, but that practically the whole schedule will be altered with the exception of the com-

pensation paid in the case of death or total incapacity. If there is anything in the argument, the Second Schedule could be amended in a much better way from the workers' point of view than is now proposed. What is the burden upon industry about which we hear so much?

Hon. Sir William Lathlain: It is £400,000 a year.

Hon. W. H. KITSON: It consists of the premiums that are charged by the insurance companies. The overhead charges of the companies operating in this class of business represent approximately 33 per cent.

The Minister for Country Water Supplies: The figure is 37 per cent.

Hon. W. H. KITSON: I will take it at 33 per cent. for the purpose of my argument. We are told that the premiums charged by the State Office are 20 per cent. less. Consequently, if there is room for lightening the burden on industry, here is one case where it is possible to afford relief: by cutting down a large proportion of the charges that are now bearing upon industry. This is not likely to come about while we have a combination of private companies, which form themselves into an association or become members of one, and who fix the same rate for all companies. I know there are one or two which are not associated with the majority. It is a remarkable thing that in these one or two cases, whenever they want to secure business they undercut to a considerable extent the other companies. Whilst there may be some reason for amending the Act, no justification has been given for the extreme measure now before us. Mr. Nicholson said very serious principles were involved, and because of that he was going to oppose the Bill. I am prepared to recognise certain principles.

Hon. G. W. Miles: Are you trying to convince him not to vote with you?

Hon. W. H. KITSON: I am trying to be fair, and to give both sides. The portions of the Bill I do not agree with so outweigh the points I do agree with, that I am prepared to vote against the measure.

Hon. G. W. Miles: Are you afraid you are not going to get enough support to throw it out on the second reading?

Hon. W. H. KITSON: I hope it will be defeated. The only principles I recognise are first of all the right of the individual to have adequate medical attention following

upon an accident, and for his dependents to have adequate compensation following upon incapacity or death. Another principle I recognise is that workers' compensation should not be exploited for private gain.

Hon. Sir William Lathlain: Hear, hear!

Hon. J. Nicholson: No one would suggest it should be exploited.

Hon. W. H. KITSON: I suggest that it is:

Hon. J. Nicholson: I do not know how.

Hon. W. H. KITSON: It has been exploited and will continue to be, so long as workers' compensation is part and parcel of the operations of private insurance companies and financial houses, which would not undertake that kind of business unless for private gain.

Hon. E. H. Harris: And yet you are prepared to vote against the Government taking the business over from private enterprise, which you declare is exploiting it.

Hon. W. H. KITSON: I am not voting against the Government taking it over.

Hon. G. W. Miles: That is what the Bill proposes.

Hon. W. H. KITSON: The Government are doing workers' compensation business very well. They are showing the private companies it is possible to do it without huge expenditure being incurred. It is not right that any individual or firm should exploit workers' compensation for private gain. If the Bill could prevent that, there is something in the measure as suggested by the Leader of the House.

Hon. Sir William Lathlain: Do you suggest the companies have made abnormal profits out of it?

Hon. W. H. KITSON: I am not suggesting anything of the kind. I suggest that insurance companies are naturally out to make a profit. They are not the easiest people in the world to deal with when it comes to making a settlement on behalf of some injured person, who is not capable of looking after his own interests.

Hon. J. Nicholson: You support the monopoly principles of the Bill?

Hon. W. H. KITSON: I do. In practically all countries where workers' compensation has existed in recent years the monopoly principle has been introduced. In no case where it has operated for any length of time has there been any departure from that prin-

ciple. Another good point in the Bill is its compulsory character. Against that we have the amendments to the Second Schedule, the alteration in the amount allowed for medical attention and medical fees, and the re-introduction of the waiting time.

Hon. V. Hamersley: That is most important.

Hon. W. H. KITSON: It is not important that there should be a waiting time. Is there any logical reason why a man should not receive compensation for injury from the date of such injury? Why should he have to wait three days and bear all the expense himself during that period, and not receive any compensation?

Hon. H. Seddon: Have you read what the International Labour office has to say on the matter?

Hon. W. H. KITSON: Yes, that compensation should commence from the time when the injury occurred. Is any worker likely to desire to impose on the Act in the way suggested, more especially as he would not receive any compensation during the time?

Hon. V. Hamersley: That is the point.

Hon. W. H. KITSON: Anyone who suffers an injury as a result of his employment is entitled to compensation from the time such injury is caused. It should not be necessary for him to be off work for seven days before being compensated for the whole of the time. The matter is most important from the worker's point of view. His wages to-day are low enough. I do not know whether Mr. Hamersley had in mind some statements made by a judge that, if industry cannot stand up to a decent wage, it should go out of existence. If industry cannot compensate those who are injured during the course of their employment, I say it should go out of existence.

Hon. V. Hamersley: Many industries have already gone out of existence.

Hon. W. H. KITSON: Men who are injured for life, and whose earning capacity has been reduced, should be fully compensated, but no amount of compensation will make up to a man for the loss of a limb. I see no reason why it should be necessary to lay the burden of injuries received in industry upon the workers. Nor do I see why it should be necessary, if we are to prevent exploitation of the Act, that the Second Schedule should be amended in this

wholesale fashion. There is no logical reason why the injured worker should have to wait for seven days before getting compensation.

Hon. G. W. Miles: Would you agree to take the medical fees out of the compensation if we agreed to allow the old schedule to remain?

Hon. W. H. KITSON: No. The hon. member must know of many cases where, under the schedule as altered, all the compensation paid to the worker would be absorbed by medical fees.

Hon. G. W. Miles: The doctors would not manipulate the Act.

Hon. W. H. KITSON: I am not prepared to admit that doctors generally manipulate the Act. I know there have been cases where a small proportion of the medical fraternity have, in common parlance, made a welter of it; but I also believe that the British Medical Association have endeavoured to cope with that aspect, and have been successful. I know of many medical men who have not altered their attitude towards injured persons simply by reason of the £100 medical expenses which the existing Act provides. It is within my knowledge that numerous medical men have shown themselves most sympathetic to injured workers, just in the same way as to ordinary patients. In many cases the injured worker has a great deal to thank the profession for. It seems to me illogical that a man who has been injured shall be limited to a specified sum of money for medical attention. So much depends on circumstances—where the accident has occurred, and the nature of the accident. Again, I see no reason why the present amount of £100 should be reduced to 50 guineas. If the desire was to prevent exploitation, it would have been quite possible to amend the Act in such a manner as to prevent anything of that kind. I agree that there are good points in the Bill. I give the Government credit for having been converted in one direction—that workers' compensation insurance should not be the province of any private individual or firm to exploit. At the same time, the other amendments proposed are of so drastic a nature that they outweigh the good points of the Bill; and therefore I shall vote against the second reading.

On motion by Hon. H. Seddon, debate adjourned.

BILL—STATE MANUFACTURES DESCRIPTION.

Report of Committee.

Order of the Day read for the consideration of the report of Committee.

**THE MINISTER FOR COUNTRY
WATER SUPPLIES** (Hon. C. F. Baxter—East) [6.3]: I move—

That this Order of the Day be postponed.

Various hon. members were good enough to suggest that certain portions of this Bill should be further considered by the Government. I have taken the various matters up with the Crown Law Department, and amendments which will greatly improve the measure have been prepared. In order that hon. members may have an opportunity of considering them, I am placing them on the Notice Paper; and they can be dealt with to-morrow on recomittal.

Motion passed; Order of the Day postponed.

MOTION—BUDGET ECONOMIES.

Debate resumed from the 24th June, on the following motion by Hon. Sir Edward Wittenoom:—

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

**THE MINISTER FOR COUNTRY
WATER SUPPLIES** (Hon. C. F. Baxter—East) [6.5]: None of the proposals put forward by the member appeal to me as feasible in execution, nor do they seem to me in keeping with the needs and rights of the people. Nowadays there are certain obligations due to the people; and if Sir Edward Wittenoom is unable to support the general terms of his motion with more acceptable suggestions consistent with the statutory responsibilities of the Government, then I think his ideals will not find many well-wishers in this House. I do not agree that State secondary education should be discontinued; that the Government should dishonour its promise to assist the University; that the Arbitration Court should be abolished; that the State trading concerns should be given away; that the office of the Agent General should be closed;

and really it is unnecessary for me to explain in more than a few words why I do not subscribe to the views of the hon. member in those respects.

The happiness and freedom of advanced and enlightened education are too apparent to the majority of people to require explanation; and whilst I know that Sir Edward has shown age-long opposition to State secondary education and to the university, I think he has overlooked the fact that in the liberties of advanced education great advantages accrue to the State and to industry; and that the latter would soon become decadent, and that stagnation would prevail, were those cherished rights wrenched from the children of basic-wage people and others unable to pay for higher education. A primary education may have sufficed in the schooldays of Sir Edward Wittenoom, but to-day it would not enable our people to compete successfully in industry and commerce; and if the cream of our children were denied the opportunity to possess themselves of the intellectual light and knowledge obtainable at the State secondary schools and at the University, there would be hearthburnings in the homes of our not well-circumstanced people. Although drastic economies have been effected in all educational expenditure, and perhaps still more drastic cuts may be necessary if our circumstances fall away, I consider a measure of advanced education just as vital to the well-being of the people as are our hospitals to the care of the sick. Also, I firmly believe that society has more to fear from starved brains than from sick bodies; and I consider that tuition arising from reasonable expenditure on State secondary education and the University is fruitful to the community at large. Were it not so, no such thing as prosperity would be known to us.

It is and long has been our settled policy to afford to every young person in the State the opportunity to obtain secondary education, no matter what the pecuniary circumstances of such person might be. In furtherance of that policy, no child has been debarred from receiving secondary education because such child, or the parents or guardian of such child, could not pay for the cost of that education; and the Government have no intention of departing from that position. The Government refuse to subscribe to the reactionary pro-

posal of making the higher form of education dependent on the length of the recipient's purse.

To-day Western Australia is far less happy than it has been for years. Money is short, thousands of men are unemployed, and many families are living in straitened circumstances; and in spite of those trials the hon. member puts forward the suggestion that the Arbitration Court should be abolished and, peculiarly, he is not friendless in the proposal. Although it seems unthinkable, it is nevertheless true that, in making that suggestion, the hon. member is unwittingly fraternising with the Communists, who shrewdly realise that the workers' charter—the Industrial Arbitration Act—is an insurmountable obstacle to the achievement of their objectives. In its birth the Communist doctrine relies fundamentally on initial grave disorder and discontent; and as the aftermath of Sir Edward's proposal for individual bargaining between employer and employee would be a state of aggrieved uncertainty as to wages and working conditions, no doubt the serious disaffection resulting would assist Communistic beliefs.

I look upon the proposal to abolish the Arbitration Court as a dogmatic and unconciliatory one, and bloodless in conception. It disturbs the serenity of public opinion in our temporary misfortunes. Instead of harrassing the ideals of the already dejected worker, I think we should endeavour to bring about a united front in the facing of our imminent and obvious dangers. We cannot afford bitternesses, and if by opportunism they are allowed to creep in, then I believe that those who are prepared to sack the situation will assuredly pay the reckoning in the future. In this predicament, too much is being said about what the other fellow should do, and very little stress is being laid on the sacrifices due from our individual selves.

In his speech on the Address-in-reply Sir Edward said, "The only two State trading concerns that are justifiable are the State Shipping Service which is engaged along the north-west coast, and the Wyndham Meat Works"; but now, in his latest views, he makes no exception and he courageously implies that the concerns should be given away.

Hon. Sir Edward Wittenoom: There was some money at that time.

The MINISTER FOR COUNTRY WATER SUPPLIES: I am just as much against the continuance of the State trading concerns as is the hon. member; and unlike others who profess similar views, I have already done something to indicate my earnestness in the matter. Therefore our inability to dispose of the concerns in a straightforward manner is as irritating to me as it is to others. To-day the assets of the concerns are valued at approximately £2,000,000. That is the amount at stake and it belongs to the taxpayers. I have always held the opinion that Governments should not trespass in trading beyond such activities as public utilities. However, trading concerns are in existence in this State; and as custodian of them for the time being, I am not prepared to dishonour my oath of office or to misuse my commercial knowledge by any wanton destruction of the taxpayers' assets, such as the closing-down of the concerns or the giving-away of them. The Government are seeking reasonable offers for the sale or the lease of the concerns; and should any come to hand, as I trust they will, Sir Edward need have no anxiety as to the decision of the Government.

I will not attempt to contradict Sir Edward's statement that during his term as Agent General the functions of the office were of a social character, and that he merely attended teas and dinners; and his frank admission of his opinion when he left the position is also very interesting. I cannot speak of those days, but I do know that the present Government are greatly indebted to the present Agent General for many important and responsible services, and that his representation in London has saved the State heavy expenditure. Perhaps the duties of the Agent General have altered considerably since Sir Edward occupied the post.

Hon. Sir Edward Wittenoom: I said nothing against the Agent General personally.

The MINISTER FOR COUNTRY WATER SUPPLIES: Certainly not. At any rate the Agent-Generalship is now no sinecure. Because the onerous work is not daily advertised, it is not right to assume that the money for the upkeep of the agency is not being well spent.

Speaking generally, the foundation of true prosperity in the future must inevit-

ably rest upon a strict discharge of the obligations of the past; and in facing that fact there is no room in our counsels for proposals other than those devoid of partiality and in complete sympathy with the honesty, courage and faith of the people to pull together in the task before them. For those reasons I feel that the views expressed by the hon. member will not appeal to the House.

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

House adjourned at 6.15 p.m.

Legislative Assembly,

Wednesday, 1st July, 1931.

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

QUESTION — UNEMPLOYMENT, CLOTHING DISTRIBUTION.

Charge for Dyeing.

Mr. PANTON asked the Premier: 1, Have the Government received from the Federal Government a quantity of clothing for distribution? 2, Is it a fact that the unemployed are being charged by the Premier's Department for the dyeing of the clothing? 3, Is so, can he inform the unemployed where they can obtain the money to pay such charges?

The PREMIER replied: 1, Yes. 2, No, but the local committees, of which there are 102, are being asked to bear a portion of

the cost, to which the Government is contributing £164 6s. 8d. The Government is also providing administration, handling and distribution. 3, Answered by No. 2.

QUESTION—MIGRANTS, REPATRIATION.

Mr. SLEEMAN (without notice) asked the Premier: In view of the large number of names of migrants I have received from the country, is it his intention to take action in accordance with the motion agreed to by the House on the 23rd June, dealing with the repatriation of unemployed migrants?

The PREMIER replied: The hon. member will remember that the first step towards giving effect to the motion must be to consult the Federal Government, and the second step will be to get some money, which is impossible at present.

Mr. Sleeman: I want to know what to tell these people.

The PREMIER: Well, tell them that.

WROTH BANKRUPTCY—SELECT COMMITTEE.

Extension of Time.

On motion by Mr. Marshall, the time for bringing up the report was extended for two weeks.

BILL — LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT (No. 2).

Introduced by Mr. Sampson and read a first time.

BILL—DEBT CONVERSION AGREEMENT.

Second Reading.

Debate resumed from the previous day.

MR. MARSHALL (Murchison) [4.37]: I do not desire to cast a silent vote on the Bill. I confess I support the measure reluctantly, because it contains much that is of an extremely disagreeable description. Usually when dealing with bondholders, the Premier has been particularly concerned about the small bondholders.