

The CHIEF SECRETARY: It has nothing whatever to do with those vessels. The measure applies only to small boats plying for trade or hire on the river. The measure will be welcomed by the owners of vessels of the river type, seeing that it will relieve them of the payment of one license fee. In future they will pay one license fee only, namely, under the Navigation Act. I move—

That the Bill be now read a second time.

On motion by Hon. A. Thomson, debate adjourned.

*House adjourned at 6.7 p.m.*

## Legislative Assembly.

*Thursday, 1st October, 1936.*

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

### QUESTION—RAILWAYS, KALGOORLIE EXPRESS.

Mr. NORTH asked the Minister for Railways: 1, Is the Kalgoorlie-Perth express operating to his satisfaction? 2, Is any action contemplated to improve its speed or conveniences in conjunction with the projected speeding up and further air conditioning on the East-West line?

The MINISTER FOR RAILWAYS replied: 1, Yes, generally. 2, Yes.

### QUESTION—DRAINAGE, BUTLER'S SWAMP.

Mr. NORTH asked the Minister for Water Supplies: 1, Has he been requested by the local authorities of Nedlands or Claremont or by any independent body of citizens to drain Butler's Swamp? 2, Does he intend draining, snagging, or beautifying this swamp?

The MINISTER FOR WATER SUPPLIES replied: 1, No request has been made for several years by any body such as those mentioned. 2, The matter is not being considered at present.

### BILL—FREMANTLE LITERARY INSTITUTE MORTGAGE.

Returned from the Council without amendment.

### BILL—DISTRESS FOR RENT ABOLITION.

Introduced by Mr. Cross and read a first time.

### BILL—STATE GOVERNMENT INSURANCE OFFICE.

*Second Reading.*

Debate resumed from the 29th September.

MR. MARSHALL (Murchison) [4.33]: This Bill is not foreign to the Chamber. It has been presented for the sanction of Parliament on three or four occasions. It is not necessary for me to stress the importance of placing it on the Statute Book, because up to date the Opposition has presented a very weak case against it. In countries where labour in politics is foreign, the authorities have adopted the principle of the State competing with private companies in this form of business. In some parts of the world they have given a complete monopoly to the State. I thought when the member for West Perth (Mr. McDonald) was speaking the other evening that he proposed to read some of the information contained in certain documents produced in America to show what had happened in that country in the matter of State insurance as compared with private companies. He failed to give us any information as to any reliable opinion expressed by American authorities. I wish to quote from a bulletin issued in the United States known as the "Bureau of Labour

Statistics." It sets out that its records show that the State did the business from 25 to 30 per cent. cheaper than the companies did. That information is on record. It applies to a country where labour in politics is unknown. This goes to show that in that country many years ago it was considered urgent and necessary, for the relief of industry from the financial obligations which combines and trusts imposed upon it, to introduce State insurance. If I had any objection to this measure it would be that it does not include a complete monopoly to the State in respect of all insurance under the Workers' Compensation Act, and under the Employers' Liability Act. I can remember, when members opposite were on the Ministerial side of the House, that they introduced a Bill to amend the Workers' Compensation Act. Embodied in that Bill, and supported by their followers, was an absolute monopoly to the State Insurance Office in that particular class of risk. The Bill was rightly introduced, and obviously so, on those lines to relieve industry of the frightful financial obligations which the combines imposed upon it. That being so, it should be apparent to members that State activity in this regard must be of immense value to industry. I will attempt by figures to prove, just as the bulletin I have quoted sets out, that wherever the State indulges in the insurance business it invariably reduces premiums, and thus affords a big relief to industry. Wherever the Government of a country has entered upon the business of insurance, a reduction in premiums and smoother working in the finalisation of business have been the order of the day. When we look for a lead from other countries we find no lack of instances of countries, which have no socialistic or Labour Governments, entering many years ago into this field. Surely it must be accepted that as those countries, controlled by conservative Governments, have embarked upon the insurance business, it indicates that if this form of business had been left to monopolies and combines, it could not be healthy for the people. The member for West Perth quoted the ratio of expense as compared with premiums in Tasmania and Queensland. I agree there was very little difference, but the figures he used indicate that the State was at least cheaper. In not one instance did he quote figures to show that the companies' rates were cheaper. That is not the only virtue

of State competition with private combines. Its great virtue lies in the fact that the State in competition with private companies acts as a policeman, and watches and controls the business. Thus it is that private companies and combines, being denied the right to impose any particular tariff they like for insurance, are compelled to keep their rates practically in proportion to those which the State imposes for its particular activities. The figures I quoted from America would indicate that State enterprise was much more successful than private companies in this line of business. Before I suggest that those figures truly exhibit the position, I should like to know whether the State has a monopoly in certain forms of insurance. I believe that in some of the States of America that is so. If the State enjoys a monopoly, it is only reasonable to suggest that the cost of administration must be particularly low. That should be the case in this State. Imagine the relief that the State office could give to industry if it had a monopoly in all the business related to compensation and employers' liability claims. The relief would be a big one because the administration costs would be reduced by virtue of that monopoly. We have only to compare the State office with private companies, or give the position a brief review, to appreciate the possibilities of the work being done so very much more cheaply, thus relieving industry as a result of a monopoly to the State. Companies and combines have had a monopoly of this business practically ever since their establishment. There has been no competition amongst them so far in the rates charged for various forms of risks. There has been no competition in this direction for many years. The Underwriters' Association in conclave sit and decide what the rates of insurance shall be for the different forms of risk. The only competition between them is for the actual business. Let us gaze down St. George's Terrace and observe the colossal and elaborate buildings that are now pushing their way towards the sky. Those buildings cost many thousands of pounds. From whose pocket did that wealth come? Will members opposite suggest that the wealth came from the invested capital of the shareholders of the company? Would they say that these alleged monuments of prosperity are the outcome of subscribed capital? Of course not. The money came from the pockets of the people and from industry. When a similar Bill was before this Cham-

ber on the first or second occasion, statistics were produced to indicate the actual position regarding the cost of administration of those companies. At that time 66 insurance companies were operating in Western Australia, and it took 42 per cent. of the amount they received in premiums to cover the cost of administration. To-day there are 91 companies operating, and the latest figures show that their administrative costs have fallen to 37 per cent., or 5 per cent. less than when there were 66 companies operating. I suggest to the House that that reduction in administrative costs is due solely to the competition of the State Insurance Office. If not the actual result of competition, it is most certainly the result of the fear displayed by the private companies regarding the State Insurance Office.

Mr. Doust: It may have been due to a reduction in the commission paid.

Mr. MARSHALL: That may be so, but why has there been that reduction? Why was that reduction not effected before the State Insurance Office commenced operations? It will be seen how quickly administrative costs can be reduced when the policeman is there to watch the behaviour of the private companies. When there is a fear of genuine competition, costs can be decreased. This reminds me that members on the Opposition side of the House are very apt to eulogise the efficiency of private companies. They talk about private individuals and private concerns that display business acumen and up-to-date business methods. Yet, with all their business acumen and up-to-date methods, those private companies had to pay 42 per cent. of their premium income to cover the administrative costs of their particular offices. Is it any wonder that such a position is created when we have so many companies endeavouring to supply the requirements of so small a population. Opposition members must realise that it is the industries of the State that must carry the burden. That was recognised by a conservative Government years ago when they took steps to cope with the impost placed upon industry by the private companies and introduced State competition. I cannot agree that privately conducted businesses are so wonderfully efficient. The Bankruptcy Court is constantly busy in handling the affairs of private individuals who have been forced into bankruptcy. As regards insurance, it has to be remembered that the companies do

not fear much opposition, because finance is requisite for embarking upon such operations. Not everyone can embark upon the insurance business, and therefore the companies do not fear keen competition. Evidently the more economical methods of recent date with the reduction in administrative costs indicate that the State Insurance Office has at least made its presence felt on the activities of all the private companies operating in the world of insurance. I repeat one particular point with regard to workers' compensation and employers' liability; those classes of insurance should be reserved as a monopoly for the State Insurance Office in order to relieve directly the obligation upon employers to insure their employees. Therein lies the principal fault and the only objection I can take to the Bill. No matter where we go or what country we may have in mind, and irrespective of the particular brand of politics represented by the governing authorities, Governments the world over have found it necessary to enter into that particular form of insurance business. It seems to me difficult to understand how there can be any opposition to the Bill. It may be news to new members—it cannot be information to those who were in this Chamber when the State Insurance Office was established—that in those days it was deplorable to note the attitude adopted by a section of members in an attempt to harass the Government, prevent the establishment of the State Insurance Office, and thereby protect the private companies who were engaged in exploiting industry. The State Insurance Office was established practically under coercion. Parliament made insurance compulsory regarding workers' compensation and informed the employers that they must insure their workmen. In those days the Government possessed humanitarian sentiments. They included industrial diseases as accidents, and set out a scale of compensation in what is now known as the Third Schedule. In consequence, the private insurance companies revolted and refused to quote for that type of business. They even sent out circulars to employers who had had business dealings with them intimating that they would not accept such risks in future. The Government were placed in an invidious position. Having provided that the employers must insure their workers, they then found that the private companies endeavoured to defeat the Government by preventing the employers

from securing cover. That was the initial attempt on the part of the companies to prevent the establishment of the State Insurance Office. Rather than prevent its establishment, the action of the private companies proved to be instrumental in securing the birth of the State Insurance Office. What humane outlook did the private companies display? Seemingly, they did not care who suffered so long as they maintained their profits. It did not matter to them how industry might languish and struggle even to exist because of the impost they placed upon it. So long as the companies could erect huge buildings, have managers, sub-managers, big staffs and a fleet of motor cars to assist them in securing business, it mattered not to them who suffered. In such circumstances, was it not a matter for wonderment that members should oppose legislation that sought to legalise the establishment of the State Insurance Office? If private combines, companies or individuals are so efficient in the conduct of their businesses, why should they fear State competition? If it is true, as stated in the Press, that State-controlled institutions are very lax in their methods, display a deficiency of astute business acumen, and are careless and reckless in administration, why should the companies be fearful? Surely with all the business acumen private insurance people are alleged to possess, they could afford to disregard the carelessly conducted business controlled by the State. On the contrary, they are aware from their experience that in this particular form of insurance business nowhere in the world can private enterprise hold its own against State insurance. Without exception the State has proved to be a benefactor to industry in the curtailment of the burden of insurance. I have pointed out that anti-Labour Governments in countries where socialist Governments have been unknown, have embarked upon this particular form of State business for the protection of industry. I want members opposite to understand that because these private insurance companies can erect beautiful buildings and employ large staffs, that does not spell prosperity for our industries. I am surprised that the member for Avon (Mr. Boyle), by interjection when the Minister was speaking, intimated that this particular form of business as conducted by the combine was outrageous. He said that the farmers had shed themselves of the octopus. Seemingly,

the member for Avon has no further concern with the position. He does not seem to appreciate on this occasion, as he usually does, that all wealth comes from primary production. He is satisfied because the farmers have been relieved of any direct obligation, but he ignores the indirect obligation, which means that the expense ultimately has to be borne by the producers. He is content to allow the companies to exploit, and ultimately the cost has to be shouldered by the producers. One is entitled to ask why he has omitted to appreciate that fact. Surely, his experience of insurance companies—he admitted that they were exploiters and that for years the farmers had unsuccessfully endeavoured to secure justice—should make him take his stand against them for all time. Only with the establishment of the State concern did the other companies consent to do business for the farmers on reasonable terms. Yet because one company is operating, he suggests that is sufficient reason for his opposing the Bill. I take the opposite view and I think the hon. member's experience would warrant his supporting the measure, in order that it might police the activities of the private companies and keep down their charges to a reasonable figure. The hon. member also argues, with a good deal of monotony, that the State office has an advantage over private companies because it has no rates and taxes to pay. I have already suggested that if privately-conducted businesses are so efficient, they should be able to show a great advantage over the carelessly-conducted State office, and thus save a considerable amount of money. The argument advanced by members opposite that it is unfair competition, because the State office has no rates and taxes to pay, does not apply. When we analyse the actual position, we find that, strictly speaking, those private companies do not pay rates and taxes, not one of them. As a matter of fact, we have a new building in St. George's-terrace, a building of 11 storeys, which must necessarily contain a large number of offices for rental. It will be the occupiers of those offices who will pay the rates and taxes for the whole building, while the company owning that building will not pay a penny in that way. It may be taken for granted that that company will show a huge profit,

over and above rates and taxes, out of the rents received from the tenants of the surplus offices.

Mr. Stubbs: But what about the people occupying those offices?

Mr. MARSHALL: They are the people who will have to pay the rates and taxes. Members opposite always say that the private companies have to pay rates and taxes. I deny that, and I say the rents paid by the tenants of the company's property have to provide the rates and taxes. Members have only to look around a small city like Perth, and remember that the equally small population of the State is spread over such vast areas, to recognise that such a city and such a population cannot be expected to maintain 91 insurance companies. The financial obligation involved is far too great for our people and for the resources of our industries. Members opposite, if they were fair to industry, would admit that to a large extent those private insurance companies are strangling industry. The member for Avon confessed that, and showed that only by striving and struggling did he and the organisation behind him at last succeed in relieving the primary producers from the obligation of paying the extortionate charges made by those companies. That, surely, should be sufficient for members. Another point raised by members opposite is that they do not believe in State enterprise. It is long since that point was established, and we no longer need to be told of it, for their actions speak much louder than their words. It is quite obvious that they do not believe in State enterprise. One has never elsewhere seen so much resemblance to the human guinea-pig as can be observed in this Chamber. On the question of State trading each member opposite has his own particular fad or fancy. Thus he objects to State enterprise only when his electorate is not concerned. If his electorate be concerned, he will quickly raise an objection to any argument for the abolition of that State enterprise that is functioning in his electorate. You, Sir, will remember the spectacle we had on the floor of the House some years ago, when one member of the Opposition dived through the door out of the Chamber, while another dived into the Chairman's Chair, in order to avoid the responsibility of revealing their opinions on the question before the Chair. Rather than do that, they were prepared to mislead their electors; any-

thing but pronounce their real attitude towards State trading. To-day they say the State Insurance Office is a trading concern, but the State Shipping Service is not. Why not?

Mr. Thorn: We said it was a public utility.

Mr. MARSHALL: The hon. member, when next he rises, should oblige the Chamber by giving us a sharp line of demarcation, as defined by himself, of the difference between a State trading concern and a public utility.

Mr. Thorn: Very well, I will do that.

Mr. MARSHALL: If the hon. member does that, it will be the only worth-while thing he has done in this Chamber.

Mr. Thorn: You have never accomplished anything yet.

Mr. MARSHALL: I have never succeeded in convincing the hon. member as to the merit of anything logical. While I can give the hon. member the substance and material, I cannot give him the intelligence necessary to appreciate it.

Mr. SPEAKER: Order! The hon. member will address himself to the question before the Chair.

Mr. MARSHALL: The hon. member and some others opposite are like a lot of guinea-pigs.

Mr. Thorn: You yourself are like one.

Mr. MARSHALL: No, for I do not possess a tail. When it suits members opposite, a State enterprise is a public utility, but on other occasions it is a State enterprise. If State trading is so objectionable, why should private individuals and private companies fear competition with State trading concerns? Members on this side of the House know why Opposition members object to State trading concerns, and particularly to the one covered by the Bill; it is because they are bound to a principle, the principle of opposing State trading concerns, whether right or wrong. And the only reason why they attempt to discriminate is that they want to justify themselves in the eyes of the electors.

Mr. Seward: And of course you do not!

Mr. MARSHALL: As I have stated, we had an awful example of that a year or two ago; it was quite deplorable.

Mr. McLarty: You are not as keen on that principle as you were a few years ago.

Mr. MARSHALL: The member for West Perth (Mr. McDonald) is here, and I hope that when the Bill is in Committee he will

attempt to show, by the figures he used a few evenings ago, that the State cannot successfully compete with the companies of the combine in insurance business. I want him to do that, because his figures turned out to be in favour of the State Insurance Office. It is true the ratio of costs to premiums was analysed, but it proved to be in favour of the State institution, and so I want the hon. member to show us where the State has failed. If he is fair, he will also give the actual position in regard to the premium rates charged for different forms of risk, first by the combine and, secondly, by the State. If he does that, the hon. member will be putting forward an argument in favour of the ratification of the State Insurance Office. The hon. member also suggested that the only form of business that a State should enter upon was some form of development. What he suggested was that the State should always take the risk when it came to encouraging the development of its resources and, having done so, and having fostered that development, it should then step out of the road and allow private enterprise full exploitation.

Mr. North: It is the duty of the strong to help the weak, is it not?

Mr. MARSHALL: Yes, that is true; it is the duty of the strong to help the weak.

The Premier: And sometimes it is the duty of the weak to help the strong.

Mr. MARSHALL: But the point is that to-day our industries are in a particularly weak condition, and the strong combine that conducts insurance will show no mercy.

Mr. Thorn: Why does the State office bring its premiums into line with those of the strong combine?

Mr. MARSHALL: The hon. member is wrong in that statement.

Mr. Thorn: I do not think so. You prove that I am wrong.

Mr. MARSHALL: In the first place, he must admit that the State Insurance Office, as operating to-day, takes on in the main only that form of business which a year or two ago the combine distinctly said was unprofitable business.

Mr. Thorn: That is right.

Mr. MARSHALL: Well, now we are getting closer. But the hon. member expects the State Insurance Office to take on the most risky form of business and do it at the same rate as is offered by the companies that have all the profitable business.

Mr. Thorn: A few years ago the State office was below the private companies in its charges, but to-day those charges have been raised to the level of the private companies.

The Minister for Mines: In some instances the charges made by the private companies are down to the level of those of the State Insurance Office.

Mr. MARSHALL: The rates were reduced on the establishment of the State office. If the member for Toodyay was here at the time, he should know that the combine emphatically stated that the Third Schedule risk could not be considered by them. The rates charged on the inauguration of the State office were arrived at on the advice of a committee. Since then, however, the State office has had some experience in that form of risk and now knows what it costs. Therefore it is only reasonable to expect that where one office takes all the risky business and the other all the profitable business, the first must charge a larger premium. I am reminded of the argument advanced by the member for West Perth when he stated that the ratio of claims paid to premiums was higher last year for the State office than for private companies. That is true, but no one knows better than does the hon. member that under the Third Schedule of the Workers' Compensation Act premiums have to be paid for industrial diseases. We cannot tell when a man is likely to be stricken with silicosis, tuberculosis, or both. The premiums are paid on the risk and the claims must be met at some time. Therefore the ratio of payments to claims is not as high for the private companies because they do not touch that form of risk. Let us at least be honest in our discussion of this matter and in the comparisons we draw. My figures are available to all, and are unchallengeable. The fact that 37.9 per cent. of the premiums paid to private companies is absorbed in administration expenses should be sufficient to convince any member representing rural industry that the business is not economically conducted. We find the same thing in the distribution of fruit, butter, milk and other lines—reckless and unnecessary expenditure, due to the competitive system, building up costs against the individual that finally must be paid by the man on the land. Yet the representatives of the producer would bolster up institutions owned and controlled by Shyllocks in foreign countries.

Mr. McLarty: Which foreign country?

Mr. MARSHALL: Particularly America.

Mr. Stubbs: Nearly all of them are English.

Mr. MARSHALL: Yes, but the hon. member must recollect that nearly all of the insurance companies are controlled by banks, and that America has control of banking at the moment.

Mr. Seward: Has she? That is information.

Mr. MARSHALL: The companies trading under their old names are no more the original companies than I am a black man.

Mr. McDonald: Then you are black in this instance.

Mr. MARSHALL: The hon. member cannot make me black. Let anyone search the records for particulars of the directors of those companies and he will find that often two or three companies are controlled by the same board of directors.

Mr. Seward: Give one instance!

Mr. MARSHALL: I shall go further and show the member for East Perth (Mr. Hughes), who has not yet arrived, where the friends he supports stand—this exponent of great virtue from East Perth.

Mr. Thorn: The friends he supports! Who are they?

Mr. MARSHALL: Not the Labourites of East Perth. It seems to me to verge on the scandalous that this Bill should meet with any opposition, because there is no scarcity of evidence of exploitation on the part of the companies and the combine. All we are asking in the Bill is that the State shall be permitted to enter into open competition with those wonderful institutions directed by men of business acumen. Why should they fear competition by the State office? The member for East Perth has adopted a remarkable attitude. He seems to be consistent only in his inconsistency. One of the principal points raised by him was that the State office ratio of claims paid to premiums was lower than that revealed by the figures of the companies. I have explained that. The reason is that the State office undertakes risks under the Third Schedule of the Workers' Compensation Act, which includes miners' diseases, and the premiums must be paid in order to provide for the men as they become entitled to compensation. The member for East Perth concluded by saying that when the State office could show more liberal payments to the extent of,

say, 10 per cent. as compared with private companies, he would be satisfied that the State office was giving a lead to the private companies, and he might then be prepared to support a measure of this kind. That was very childish comment. It is tantamount to declaring that the State office must not look after the business of the State. All it has to do is to watch the private companies and see that over the year's operations there is a margin of payments to claims of 10 to 15 per cent. in excess of those shown by the private companies. What a stupid argument to advance! Surely the State office officials are as much entitled to display some business acumen and to adhere to business methods as is any private company. If we adopted the hon. member's proposal, I could imagine his saying tomorrow, "Look at your State office! I told you you could never have a State controlled institution. Look at the extravagance! It has paid away 10 per cent. in claims unnecessarily." Whatever we did, we should, according to the hon. member, be in the wrong. Why the hon. member should oppose the Bill is beyond my understanding. I propose to quote from "Hansard" some statements made by him on the subject in 1926. The best point he raised was that the quibbling over the payment of compensation had become so aggravating that a new policy of compensation was necessary immediately. That represents a complete change-over for the hon. member. I want the workers of East Perth to understand this, as I know they will. I think I have had as much experience of compensation claims as has any other member. Scarcely a day passes without my handling one, two or more cases. I know that most of the quibbling is due to one of two reasons—that the beneficiary has neglected to do what the law requires, or that doctors differ. In neither event would the State office be entitled to pay compensation until finality had been reached. To listen to the member for East Perth, one would think that when a man was injured in the course of his employment, he should be entitled to walk into the State office and say, "I was employed by so-and-so, and I want my compensation paid to me." No adherence whatever to the law! I do not know whether Dr. Lovegrove makes a practice of under-estimating incapacity because he is employed by the State office, but I suggest that the member for East Perth will always have a tendency to give effect to

the wishes of the electors of that district because he is employed by them.

Mr. Stubbs: The electors must have great faith in him, seeing that they returned him.

Mr. MARSHALL: It will be the last time.

Mr. Sampson: No, the most recent time.

Mr. MARSHALL: When the State office, acting on the advice of a medical practitioner, recognises that an injured worker in a remote part of the State needs the attention of a specialist, he is brought to the metropolis for treatment. If he happens to be a married man, the State office considers it a moral obligation to pay that man an additional 25s. a week for board and lodging, although the law does not require it to do so. Did private companies ever do that? Not one of them has ever done it.

The Minister for Mines: And never will.

Mr. MARSHALL: Here is a thing the private companies did do. The Workers' Compensation Act operating from 1912 to 1925 allowed only £1 for medical and hospital expenses. The existing Act raised the amount to £100. Now, here is private enterprise for you! In the case of injured workers placed in private hospitals or the Perth hospital—but private hospitals in particular—instead of paying hospital accounts in full up to £100, the private companies paid the weekly account of the patient less the amount at which the company estimated the cost of his board and lodging. They took that amount out of the unfortunate man. They argued that whether he was in hospital or at home, he would have to keep himself, and that therefore he should be called upon to keep himself while in hospital. The Act had to be altered to force the private companies to render justice to the workers in that respect. The member for East Perth could not find one word of eulogy for the State Insurance Office. See the difference between the treatment accorded to injured workers by that office and the treatment they received from private companies! The State office pays 25s. per week to a patient removed from his family. The Workers' Compensation Act sets a limit to the amount of compensation payable to juvenile workers who may be injured. In the case of youths working for 10s., 15s., or 20s. per week, the maximum compensation is 30s. weekly. I know of an instance of a boy—he had just left school—who fell off a grocer's cart and broke his arm. The local doctor did not make too good a job of the

case, and the arm began to wither. The parents then suggested that the boy should be sent to Perth for expert treatment. The State Office sent him down here. While the boy was receiving expert treatment here, the State office paid him £1 per week for board and lodging. They were not compelled to do that, but they did it. Did a private company ever do such a thing? Let me revert to the suggestion of the member for East Perth of doing away with squabbles in accident cases. He suggested that the Workers' Compensation Act should be repealed, and that a form of insurance should be introduced on the basis that the worker paid one-half of the premium and the employer the other half. The hon. member is kind to the employing class latterly. His suggestion implies that there shall be no compensation for a worker sustaining injury during or arising out of his employment. The hon. member wants to relieve captains of industry of the obligation to pay for wreckage created by industry, to the extent of one-half, which is to be borne by the employees. It is true, as stated by the member for East Perth, that if that form of insurance were introduced, no matter how or where the worker was injured he would be paid, not compensation, but insurance. East Perth workers can take it from me that their representative in this Chamber is with the captains of industry—will make the sustenance workers of East Perth, for example, bear one-half of the cost of their insurance, if they are to get any benefit. That is what the hon. member advocates. He suggests that the State Insurance Office should be abolished and that the Workers' Compensation Act should go by the board in favour of that form of insurance. I want East Perth workers, including sustenance workers, to realise that they are running a great danger. If their member gets his way, there will be no more benefits under the Workers' Compensation Act, but there will be a form of insurance compelling the unfortunate sustenance worker to pay one-half of the premium in order that he may obtain any compensation whatever for injuries. However, it is impossible to tie the member for East Perth down to any particular principle. He seems to have no political principle.

The Minister for Employment: No political renegade ever did have any regard for political principle.



Mr. MARSHALL: The member for East Perth is not foreign to that character. I shall now quote from a speech delivered by the member for East Perth in this Chamber on the 20th August, 1924, during the Address-in-reply debate for that session. There was an interjection by Mr. Taylor, then member for Mt. Margaret, as follows:—

I think in that respect they (combines) are all alike.

That is as regards exploiting the workers. Mr. Hughes proceeded—

All combines are, I have no fault to find with them; they are honest about it; they want as much as they can get, and no one else is to get anything. They expect men to work for them for the absolute minimum wage. It is not within their ethics to share their prosperity; they have no citizen ideas; they have no policy of live and let live; they want to live and crush everyone else out.

To-day the hon. member is an apostate. His nine years of compulsory silence have converted him. Further down on the same page, 424, he is reported as saying—

We stand for State trading, and we have no desire to place the position incorrectly before the people of the State. No one wishes to have a wrong statement presented of profits and losses, but we do say that if we are to get the credit of the losses we must also be given credit of those concerns that are showing us a profit.

The hon. member there put up a remarkable case for State trading. Two nights ago he put up a sort of an apology for an argument against the State Insurance Office.

Mr. Stubbs: He has studied law since then.

Mr. MARSHALL: He has studied a great deal more than law. Law is a respectable profession. He goes on to eulogise State trading concerns, finding them to be of much virtue, and putting up points which can be adduced in support of the present Bill. I want the workers of East Perth to know definitely that the people for whom their member is most concerned now, are those interested in private companies. I said earlier that I proposed to give a few instances of how private companies are linked up. There are all sorts of little juntas, little groups of wealthy individuals and wealthy families; and they have control of practically all the industries of the Commonwealth. They trade under innocent names, and it is hard to identify them. Only by searching through official statistics can they be discovered. The principal sugar, tobacco,

and gas monopolists of New South Wales and Queensland are James Burns, R. Philp, A. and J. Forsyth, J. T. Walker, J. R. Fairfax, of the Burns Philp combine; Messrs. Knox, Kater, Mackellar, Bennie, Buckland, Cowley, and R. Black, of the tobacco trust; Messrs. Levy, Cohen, Moses, and Mylis, of the Sydney and North Shore Gaslight Co. These are linked with S. Hordern, D. Fell, Allen Taylor, J. R. Robertson, and the Vickery family. The gaslight monopolists share with the metal gang the control of the £42,000,000 assets of the A.M.P. and the investment of that society's annual revenue of £6,000,000. Jointly they control the Accident, Marine and Fire Insurance Company, the Mercantile Mutual, Perpetual Trustees, Permanent Trustees, United Insurance, Reinsurance, and Queensland Insurance Companies, as well as the English Mutual Indemnity, the Liverpool and London, Rothschilds, and the Alliance Insurance, representing a total capitalisation of £200,000,000. The metal gang, in their turn, share with the sugar, tobacco and gas monopolists the control of the Colonial Mutual Life and Colonial Mutual Fire Insurance Companies, as well as the Australian end of the Atlas, British Dominions, and London and Lancashire Insurance Companies. They also control the Union of Trustees, Equity Trustees, National Trustees, the Trustees Executors and Agency, and Melbourne Trust and Freehold Assets companies. Further, they control nine-tenths of the life, fire, loan, and trustee agencies. Those are now the friends of the member for East Perth.

The Minister for Employment: A man who has joined the legal profession would hardly care to offend that group.

Mr. MARSHALL: The people I have named practically control all the enterprises I have mentioned, and those are the people whom the member for East Perth now finds to be necessary to public welfare. He wants the unfortunate workers of East Perth to play fifty-fifty with those people in the matter of insurance against accident, rather than ask those people to carry the derelicts created by the industries which they control. I have much pleasure in supporting the motion, and I hope that on this occasion it will be successful in another place, that they will follow the lead taken by wiser councils in other countries where

there is no Labour or Socialistic Government.

**MR. NORTH** (Claremont) [5.46]: I desire to deal with the Bill so far as it affects an extension of insurance activities. I am very glad the member for Murchison has spoken first, because he might have had a lot more to say if he had followed me. At first, after hearing the arguments offered in favour of State insurance, one is tempted to leave the matter alone, to leave it for some competent member like the member for West Perth to battle for the private companies. On further investigation it is obvious that this is a source of activity which it is not necessary for the State to bother its head about. I ask members to consider, when dealing with the matter of the State taking over extended powers, what are the social trends ahead of the community, what are the likely changes in the next few years? We are not going to stand still. If things were destined to continue as they are, I could understand the State trying to grab all it could to pay its way, but if we look around the world to-day we can see that we are due for certain very important changes in the handling of our social affairs. It appears to me almost inevitable that the public authorities or the State will eventually regulate the feeding, clothing and the housing of the people in such a way as to avoid a great many of the fears and anxieties which drive people to private companies. That will, in my opinion, be followed very shortly by some form of national insurance. We know that that is coming.

Mr. Hegney: It is a long time coming.

Mr. NORTH: The experts are here now. What will happen when these changes occur, when the feeding, clothing and housing of the people is being attended to, and there is national insurance in operation? With provision made for payments to widows, to people in cases of sickness, and for old age, what will be left in the insurance field? Very little. When everybody is sure of a good home, food and clothing, a job, and payment when sick or out of a job—and these propositions are now being definitely investigated by the Federal authority, or other authorities—there will be little left for the State to worry about. That is one side of the picture, but there is another side, because not everybody agrees that the State will take over everything. In my opinion,

when this happy day arrives and all these national problems are tackled, private enterprise will flower as it has never flowered before. I can see the day coming when these private enterprises, banks and insurance companies, will be bigger and brighter than ever. There will be a cheque book in every home, and an endowment policy in every home, because these companies will be trading in a sphere where there are no possible serious losses. The man in business will know that if he falls he must fall only to the extent of a home, food and clothing. So the day will come when we will welcome these institutions which are to-day being attacked by the Government and looked upon as parasites who are taking all the profits. We will welcome them because we will not want to follow on the lines of Soviet Russia, a totalitarian or socialistic State. We will be glad to have the colour left in life, colour which has always come from private enterprise. If the Government were to consider the trend of affairs which is obvious, both in the Federal and the State sphere, they would realise that such developments as an extension of insurance activities by the Government will not be worth while, because so many other things of much greater importance will be before them. I have much pleasure in supporting those who followed the member for West Perth.

**MR. THORN** (Toodyay) [5.51]: The member for Murchison seemed to take great pleasure in attacking members on this side of the House for their attitude to State trading. He waved his arms until his colleagues on both sides left their seats for their own safety. I interjected, and pointed out that our State vessels were State utilities. I approach this subject with a perfectly open mind, and I affirm that our State ships definitely render a service. They are running a service where I believe other ships refuse to go, and they are helping to keep down freights. Five years ago, as far as workers' compensation was concerned, our State Insurance Office rendered a service, because the premiums they asked were considerably below those of many other companies. I remember when the farmer was charged a premium at the rate of 65s. per £100 by a private company, and 52s. by our State Insurance Office. That was definitely a benefit to the community. I do not think we should object to State utilities making a small financial loss when they

render a service to the community. But what do we find with our State sawmills? We find that where they could render a service by cutting down the price of timber they are linked up with these capitalistic firms that our friends on the other side of the House so ably criticised and condemned, and their prices are as high as the prices of those firms. If our State Insurance Office were rendering a service that was being given a few years ago, probably some support would be forthcoming from this side of the House, though I am not expressing the opinion of every member on this side. I repeat that probably some of us would be seeing eye to eye with the Government on the question. I should like to tell the House of something that came under my notice a little while ago. The State Office notified the policy holders that the premiums had been raised to such and such a figure. I shall give the Minister something definite without mentioning names. There had been a gradual reduction in the rates on workers' compensation. The private companies' premiums came down, and the State Office rates came down even further. Suddenly the State Office notified those who were interested that the premiums would be raised. I can supply the Minister with names if he requires them, but I know he will take my word for what I am telling the House. One interested person asked why the rates were being raised, and the reason for that action. All he was told was that that was the position. This person declared that he would not stand for the increase, and he went to the New Zealand Insurance Company and got the same accommodation at 40s. as against 50s. charged by the State Office. I have no wish to labour the question, but I do contend that where the State activity is rendering a service to the community, that activity should not be severe on its clients.

Mr. Fox: Are you trying to apologise for not supporting the Bill?

Mr. THORN: If the Minister wishes to legalise the State Office he should give us some encouragement to support him. For instance he should not link up with capitalistic combines. As I said before, we have vast resources as far as our forests are concerned, and a definite service could be rendered to the community. Yet we find the State Sawmills joining up with Millars and other firms that are always the subject of criticism by members opposite. In this way,

high prices are maintained, whereas if the State concerns stood by themselves, a service would be rendered to the community. I shall oppose the Bill.

**MR. HEGNEY** (Middle Swan) [5.58]: I am surprised at the statements that have been made by the hon. member who has just resumed his seat. He said that if the Government had put a Bill that could have been supported by members on the Opposition side of the House, many of the members on that side would have given it their support. It is not so long since the hon. member was a supporter of a Government that was in power. What was his attitude then? He supported an amendment to the Workers' Compensation Act that had for its object the whittling down of many of the liberal provisions of the existing Act. I have a copy of a Bill that was introduced by Mr. Lindsay when Minister for Works in a previous Government. In the present Act it is provided that an injured worker is entitled to receive up to £100 for medical and hospital expenses. In the amending Bill that was introduced by Mr. Lindsay, when a member of the Mitchell-Latham Government, provision was made to reduce the benefits by 50 per cent.

Hon. C. G. Latham: It was not the worker but the doctor who was getting the benefit.

Mr. HEGNEY: The object was to reduce the benefits to workers by 50 per cent. What applied in that case applies also to the Second Schedule of the Bill.

Hon. C. G. Latham: Now tell us the benefits we were going to give the worker in our Bill.

Mr. HEGNEY: We know the benefits the hon. gentleman's Government were supposed to give if they had had their way. They are now following that traditional policy. They are definitely opposed to the scheme of insurance as enunciated in this Bill. Whenever they get into power, they immediately set about whittling away the provisions that are embodied in measures brought down by the previous Labour Government.

Mr. Thorn: You know that is not so.

Mr. HEGNEY: What applies in that instance applies in many others, particularly in respect to the Second Schedule of the Bill. The experience of the workers of this State is that the State Insurance Office performs a notable service in the case of injured workers. These unfortunate people cannot look to

members opposite for any measure of support, or anything that means fair and reasonable treatment for the workers. I know it is the wish of members opposite that this Bill should be defeated, and if, in the distant future, they are returned to power, no doubt they will again attack the State Insurance Office. They have done it before, and they will do it again.

Mr. Thorn: To what Bill are you referring now?

Mr. HEGNEY: The hon. member knows quite well.

Mr. Thorn: Do you mean the Bill to amend the Workers' Compensation Act?

Mr. HEGNEY: The people know quite well what conditions were contained in that measure. I am not surprised at the attitude of the Opposition on the one hand, but I ought to be surprised at the attitude of the member for Toodyay (Mr. Thorn), in whose electorate are many excellent workers looking to him to support this measure.

Hon. C. G. LATHAM: That has nothing to do with workers' compensation, which is already on the Statute Book.

Mr. HEGNEY: This Bill is to legalise the State office. The hon. gentleman is opposing that principle, and must therefore be opposing the Bill. If the State office is not legalised, the time will come when it will have to be wound up. I see every justification for the Bill, and hope it will soon pass into law.

**HON. C. G. LATHAM** (York) [6.5]: The member for Middle Swan (Mr. Hegney) misunderstands the purpose of the Bill. It is to legalise the State Insurance Office, and ratify its past deeds and misdeeds. It has nothing to do with workers' compensation. It is not true, as the hon. member has said, that we are always opposed to this principle. When we were in office the department went on just the same as it is doing to-day. I doubt if it is as liberal in its treatment of its clients to-day as when we were in office. I have asked for certain files. I do not think the State Insurance Office has treated fairly the widow to whom reference has been made. I hope that even now, at this late stage, the Government may see some reason for altering the decision that was made by the department.

The Minister for Employment: You carefully examined the file last November.

Hon. C. G. LATHAM: I have some notes which the Minister was good enough to give

me the other day. The member for Middle Swan complains of the legislation that was introduced by the Mitchell Government, when it was proposed to reduce the fees for medical and hospital services. When the Labour Government made provision for medical and hospital services they allowed only £1.

Mr. Hegney: When was that?

Hon. C. G. LATHAM: In 1912.

Mr. Hegney: No Labour Government was in office then.

Hon. C. G. LATHAM: The hon. member is so twisted in his facts that one hardly knows whether to take any notice of his statements or not. I was surprised when he got up and said he was approaching this subject with an open mind. If there were an open mind on this subject, the remarks of the hon. member would be sure to turn that mind against this legislation. Probably he is quite satisfied with what he has done. When we brought down our Bill, we were informed by the British Medical Association that better service could be rendered for half the amount. We have always agreed that those who are injured in industry should be compensated from industry. That is the fixed policy of the people of the State, and in consequence we must carry it out. Let us be satisfied in that respect.

Mr. Fox: Did you say that the British Medical Association stated that the workers would be better served if they got only half the amount?

Hon. C. G. LATHAM: Yes, provided the whole matter was kept under proper control. If the hon. member would read the debates that took place at the time, he would see the arrangement that was made by the British Medical Association. To-day many men who are injured in industry do not get the benefit of specialised treatment.

Mr. Fox: Of course they do.

Hon. C. G. LATHAM: A man may be specially brought in from the country to the city to get specialised treatment.

Mr. Fox: Of course they get it.

Hon. C. G. LATHAM: They do not necessarily get it when they are in the country. It was proposed to bring these men to the city for specialised treatment.

Mr. Wilson: I know that it is done.

Hon. C. G. LATHAM: It is sometimes done in the country when the insurance office concerned thinks it is being too much exploited.

Mr. Wilson: It is generally done.

Hon. C. G. LATHAM: I know it is not general.

Mr. Wilson: I will give you the name of one man.

Mr. Fox: It is always done when necessary.

Hon. C. G. LATHAM: When an insurance company thinks that it is not getting a fair deal from the local doctor, it requests that the patient shall be sent to the city, or somewhere else, for specialised treatment. There has been a lot of exploitation of insurance companies in connection with the Workers' Compensation Act.

The Minister for Mines: Can you tell me of any employee, or his doctor, who has made application for specialised treatment up to £100 and has been refused?

Hon. C. G. LATHAM: I do not know of any.

The Minister for Mines: Nor do I.

Hon. C. G. LATHAM: Once a patient is in the hands of a doctor, the employer very seldom plays any part in the matter.

The Minister for Mines: I was referring to the employees.

Hon. C. G. LATHAM: I do not know of any occasion when an employee has interested himself sufficiently in the matter, but there may be an isolated case or two.

The Minister for Mines: Any time that I have applied for special treatment for anyone, the application has never been turned down.

Hon. C. G. LATHAM: In the legislation to which I refer it was intended to create a board to determine these cases. The member for Toodyay merely quoted something and said that was our opinion.

Mr. Hegney: It was your opinion judging from your attitude.

Hon. C. G. LATHAM: It is fair that I should explain what that attitude was. It was intended by the Bill to be more generous in respect to hospital and medical treatment.

Mr. Hegney: Do you mean your Bill was more generous to the worker?

Hon. C. G. LATHAM: Yes. The hon. member ought to know how the funds were being exploited. Many cases were brought under notice of toes being cut off by men in the South-West. That sort of thing became an industry on the part of Southern Europeans.

Mr. Lambert: It was an industry on the part of many "poodle" doctors.

Hon. C. G. LATHAM: I always understood there were some doctors who were exploiting the fund.

Mr. Lambert: There is no doubt about that.

Hon. C. G. LATHAM: I do not say there were many such cases, and I do not know who the doctors were. We did have evidence of men being sent to hospital who, under normal conditions, would not have been sent there, and they received only half pay when they should have been getting full pay. It was for the betterment of the worker that the legislation I refer to was brought down. There is no doubt that if any losses are made by the State Insurance Office, the department will ask the Treasury to make them good. It appears that to-day there is another system of loading the Government service. I understand that the clerical staff in the service were charged by the State Insurance Office 20s. per cent., whereas outside companies are doing the work for 2s. per cent. That means loading up the service. The statement may not be correct, but that is what I understand has been going on. It would be far more honest on the part of the State Insurance Office if those in control explained to the Treasury that they wanted certain moneys to make up the deficiency. I believe the rates of the State Insurance Office are higher than they are in the case of insurance companies. It is difficult to determine what the rates are, because many of them are grouped. There is very little risk involved in the insurance of office staffs.

Mr. Lambert: Not from accident, at any rate.

Hon. C. G. LATHAM: There would be nothing else. I do not want to see another State business established, which means that the taxpayer is constantly required to make up deficiencies. Unlike the companies which pay income taxes and other taxes, the Government office pays nothing. Although on paper, apparently, some profit has been made, I doubt whether in reality any profit at all has been made. I agree that the reason why the State office took on miners' phthisis insurance was that the companies would not carry it. The business had to be done by the State, after we had passed the law dealing with it. When we assumed office, much as we may

dislike State enterprises, this particular department had to be carried on.

Mr. Tonkin: Are you in favour of legalising it now?

Hon. C. G. LATHAM: As it has been in existence for so many years, another little period will not do any harm. I think I supported the Bill when it was before the House on the last occasion. I rose principally to take strong exception to members on the cross-benches pointing to this side of the House and stating that we have no sympathy for the worker.

Mr. Marshall: You are all sympathy and nothing else.

Hon. C. G. LATHAM: If it is a question of sympathy, I prefer to have something different from what the hon. member has.

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

#### THE MINISTER FOR EMPLOYMENT

(Hon. A. R. G. Hawke—Northam—in reply) [7.32]: The discussion on the Bill has to some extent developed into what may be termed a battle of figures. In view of the matters with which the measure deals, that is not surprising. There is no need for me to state at any length that figures can be used—if the right figures are chosen and the appropriate method selected—to prove or disprove any proposition. Certain figures I gave in support of the Bill have been challenged. A little later I propose to pay some attention to the challenges made. The member for West Perth (Mr. McDonald), in opposing the measure, largely based his opposition to it on figures which he adduced. He spent some time in countering arguments I put forward to show that the ratio of administrative expenses to premium income was lower in the case of State Insurance Offices than in the case of private companies. The hon. member quoted figures relating to Tasmania and Queensland. Those figures showed that the ratio of administrative expenses in the Tasmanian State Office was 37 per cent. of the total premium income. When it is remembered that the total premium income of the Tasmanian State Office is slightly less than £7,000 per year, it is easily realised that the ratio of administrative expenses will be high. The total premium income of the State Insurance Office of Western Australia for workers' compensation insurance is £174,000 per annum. I believe it

is a clearly understood business principle that administrative expenses will be correspondingly low as premium income is high. So there is really no force in the argument that the ratio of administrative expenses to premium income in the Tasmanian State Office is far higher than the corresponding figure for this State, and to an extent equal to the figures in connection with private companies. The Queensland figure provided by the member for West Perth apparently did not include workers' compensation business. Had the figures for that business been included, the administrative expenses relatively to premium income would have been reduced 12 per cent. below the figures as presented. Figures for the Victorian, New South Wales, and New Zealand State Offices were not given. In Victoria the State Office rate in the relationship of administrative expenses to total premium income is 12 per cent. as against a similar figure of 45 per cent. for the private companies operating in that State. The member for Avon (Mr. Boyle) made what may be described as a remarkable speech in opposition to the Bill. He said quite frankly that if we were now where we were five years ago he would support the Bill in the most whole-hearted fashion. He admitted that all the combined companies have exploited the insuring public of Western Australia right down the years. He admitted also that the combined companies to-day are grossly exploiting the insuring public in many directions. He told us that out of 70 private insurance companies in Australia only three were outside the combine. He emphasised the need for vigorous and continuous competition in the field of insurance. He then told us how, mainly through his own efforts, the Federation Insurance Co., a private company, had begun operations in Western Australia three or four years ago. According to the hon. member, that company has rendered considerable assistance to the farmers of Western Australia by having reduced premiums below the rates previously charged by private companies. And because this Federation Insurance Co. is now established in Western Australia, and because it is providing a measure of competition in connection with the insurance business of a section of the community, the member for Avon gives us to understand that everything in the insurance garden is lovely, that the community is completely protected, and that

nothing more need be done; that there is no more need to worry; that the position now is abundantly safe and so no further competition of any kind from any direction is needed. It would be interesting to have an answer given to the question, what guarantee have we that this private insurance company will not at some future date become a member of the combine? There is not the slightest guarantee that this company will not next week, or next month, or next year join the combine and then move its insurance rates up to the level as now operated by the private companies. In point of fact, therefore, this great protecting organisation provides very little protection against the exploitation of the insuring public of this State. I ask any member who was temporarily impressed by the argument advanced by the member for Avon in that regard, to realise that the protection given to a section of the community cannot, in any way, be considered safe or permanent. There is, too, the important point that this company only provides reduced rates of insurance for the farmers of Western Australia. I am not sure that it does not provide those reduced rates only for wheatfarmers. Even if the whole of the farmers of the State enjoy the protection that the company at present gives, surely the member for Avon and those who may think with him, will agree that every section of the community is equally deserving of the protection that the farmers are now receiving. The arguments advanced by the member for Avon were most illogical and in many phases contradictory. He frankly admitted that the measure of exploitation practised by the private companies now was extreme. Evidently, so long as the farmers are protected from such extreme exploitation, the member for Avon is completely satisfied. He has neither the desire nor the intention to endeavour to confer the same measure of protection and benefit upon the industrial workers or upon the business men of the community. It is a great pity that the hon. member has made such an erratic change in the opinion he possessed five years ago. Even admitting that the Federation Insurance Company is providing competition, can we have too much vigorous, healthy competition in the field of insurance? What possible harm can be done by increasing the measure of competition already operating? What possible damage can be inflicted by extending the meas-

ure of protection now enjoyed by the farmers to other sections of the State by establishing the State Insurance Office upon a legalised basis, and providing for the extension of its operations? Therefore, it seems to me that if the member for Avon were to have another look at his arguments and give additional consideration to his expressed desire to curb the exploiting activities of the private companies, he would be found to adopt another change in his opinion. He would probably decide to support the Bill. I have already mentioned that the speech by the member for Avon was a remarkable effort. I did not imagine it would be possible for any other member to make a more extraordinary speech in connection with the Bill, but the remarkable nature of the speech of the member for Avon faded away almost into nothing when compared with the speech delivered by the member for East Perth (Mr. Hughes). He told us he was dissatisfied with the manner the State Insurance Office had dealt with certain cases. I am sure it must have come as a very great surprise to most members to know that the member for East Perth could be dissatisfied about anything. Because he has some genuine, or imaginary, dissatisfaction with the treatment by the State Insurance Office of certain cases, he put that forward as justification for his opposition to the principle contained in the Bill now under discussion. Although he expressed dissatisfaction with the way in which those cases had been treated, he gave one instance only. He carefully failed to provide sufficient details about that case to enable his complaint to be checked up. Even if his dissatisfaction in connection with that one case were justified, what a treacherous imagination is required, and what peculiar reasoning powers a man must possess to use that as a reason for opposing the proposal to establish the State Insurance Office to do insurance business in Western Australia! We are now discussing not the administration of the State Insurance Office, but a matter of principle. If the hon. member desires a discussion on the administration of the State Insurance Office and he feels that an improvement can be effected in that administration, there are ways and means by which that matter may be approached. What we are concerned with now is a matter of principle, whether the State Insurance Office shall be legally estab-

lished to provide the necessary vigorous competition in the field of insurance and thus give the necessary protection to the insuring public. The member for East Perth dealt with certain figures that were included in my speech, setting out the ratio of administrative expenses to the premium income in connection with workers' compensation. The table of figures I gave also included details of claims paid, and there was a comparison between the results shown by the State Insurance Office, and those achieved by the private insurance companies. The member for East Perth, with that natural suspicion for which he has become famous, said there must be something wrong with the figures because they showed that the private insurance companies were losing money in connection with the workers' compensation business transacted by them. The hon. member suggested that the figures supplied by the private insurance companies must have been correct, and the figures explained by me must have been wrong. The figures quoted were entirely accurate. It is true that the private insurance companies in Western Australia are losing money on the business they transact in respect of workers' compensation. The member for East Perth told us that if they were losing £40,000 a year in undertaking that class of business, we should not interfere with them. He gave us to understand that these companies, by transacting that class of business at a loss, were conferring upon the workers of the State very great benefits. He asked why we should interfere with the philanthropic endeavours of the shareholders of those private companies who were providing money out of their own pockets to afford protection to workers injured by accident at work. And he used that as an argument to bolster up his opposition to the principle of this Bill. Well, his opinion is of a desperate nature, necessitating the invention and use by him of desperate arguments. The figures given in respect of the losses shown by the private companies proved that if the competition provided by the State Insurance Office did not exist, insurance premiums in regard to workers' compensation would go up £40,000 a year immediately. And then these private companies would only balance the ledger. But if there were no competition from the State Insurance Office, the companies would want to do more than balance the ledger. Instead of putting up the premiums to the

extent of £40,000 a year to cover their losses, they would probably put them up £80,000, in order to win a profit from conducting this type of business. So the argument and type of reasoning used by the hon. member is the strongest argument in support of the Bill that has been mentioned during the whole progress of the debate. I suppose it is of no use reminding the hon. member that the proposal contained in the Bill is a vital part of the Labour platform.

Mr. Wilson: He knows that.

**THE MINISTER FOR EMPLOYMENT:**

It is so vital that it occupies a prominent place in the fighting platform section. The member in question has given the public to understand, and the workers of East Perth in particular to understand, that he of all Labour men is the most genuine, the most vigorous, the most valuable, that he of all Labour men is the only one really sincere, the only one prepared to put up a fight for the establishment of Labour principles. Yet here in this Bill is contained a vital part, a vital principle of Labour policy.

Mr. Hughes: Will you make a fight if the Council throws it out?

**THE MINISTER FOR EMPLOYMENT:**

Our friend cannot provide a smoke screen for himself in that way. On this Bill he is lining himself up with every member of the Council who will fight the measure. He now stands unmasked for what he is, an absolute traitor to Labour principles, and to the workers in particular. The hon. member realised that he would have to make an attempt to justify his opposition to the Bill by putting up some alternative proposal. The alternative proposal which he puts forward is one which would pass almost unanimously through the Legislative Council, if it were sent there in the form of a Bill. He suggested that instead of establishing the State Insurance Office on a legal basis, instead of giving it authority to provide vigorous competition in the field of insurance in this State, we should not fiddle and worry about a proposal of that kind. This is his alternative proposal: That we should provide to deal with all accidents suffered by workers irrespective of whether the accident were suffered on the job, or at a football match or walking down the street. He said the workers should be protected against accident at all times. That sounds all right up to that stage. Then the hon. member put forward the amazing suggestion that the workers of the State should be compelled



to pay for their own protection against accident! At the present time the liability in regard to safeguarding the workers against accident in industry is completely the liability of the employer. It is regarded as a sound principle, and is certainly regarded as a Labour principle, that when a worker is engaged in industry, the owner of the industry should be liable for the complete protection of the injured worker until he recovers from whatever accident he sustained. In the case of a fatal accident, the employer is completely responsible in regard to providing compensation to the widow and other dependants. So the proposal of the member for East Perth is to relieve, substantially relieve, the employers of a responsibility that is almost entirely theirs. He is going to relieve their responsibility in the matter of payments by 50 per cent., and transfer that burden to the shoulders of the workers themselves.

Mr. Hughes: You know that nothing of the sort was said.

**THE MINISTER FOR EMPLOYMENT:** I know what the hon. member said. Of course he was so desperately anxious to provide a smoke screen for his opposition to the principle of State insurance that he worked out this other treacherous proposal, and probably worked it out in a hurry. The only additional benefit he proposes to give the workers for loading them with half the liability now carried completely by the employer was to give them a protection in regard to accidents which they suffered away from the job.

Mr. Hughes: And which they would be glad to have.

**THE MINISTER FOR EMPLOYMENT:** I am positive the hon. member gave no consideration to this proposal, because if he had made the necessary inquiries he would have found that the percentage of accidents suffered by workers away from the job was an insignificant figure as compared with the number of accidents suffered by workers on the job.

Mr. Hughes: What about sickness?

**THE MINISTER FOR EMPLOYMENT:** The hon. member said nothing whatever about sickness, and it is too late now to introduce addendums to the proposal he put forward as an alternative to the provisions of the Bill.

Mr. Hughes: I know which they would prefer.

**THE MINISTER FOR EMPLOYMENT:** As to the ill-considered proposition put forward by the member for East Perth in this debate, a good deal of the influence which he was able rather cleverly to wield over a number of workers in this State will soon peter out when the full effect of his proposals is made known.

Mr. Hughes: Why not take the Town Hall and debate it?

**THE MINISTER FOR EMPLOYMENT:** The member for East Perth has a great love for the Town Hall; a great love for the public park; a great love for a place where he may rant and condemn and abuse and vilify; a great love for a place where he can act as a demagogue. He has no love for a place of the description of this Chamber where he can be put up against the wall and made to face the full effect of the proposals which his mind conceives from time to time. This is the place that will test the member out. This is the place where his shallowness, his insincerity and his hypocrisy will be unmasked. The excuses put forward for opposition to this Bill have no substance, and on that account I feel it unnecessary to make an appeal to members to agree to the second reading and subsequently to the Committee stages of the Bill.

Question put and passed.

Bill read a second time.

### *In Committee.*

Mr. Sleeman in the Chair; the Minister for Employment in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Hon. N. KEENAN: I move an amendment—

That in the definition of "insurance business" the words "the Governor by Order in Council" be struck out and the word "Parliament" inserted in lieu.

This matter should not be left to the determination of the Governor by Order in Council, but should be decided by Parliament.

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

Ayes	..	..	..	..	15
Noes	..	..	..	..	20

Majority against .. .. 5

## AYES.

Mr. Hill	Mr. Patrick
Mr. Hughes	Mr. Sampson
Mr. Keenan	Mr. Seward
Mr. Latham	Mr. Thorn
Mr. Maun	Mr. Watts
Mr. McDonald	Mr. Welsh
Mr. McLarty	Mr. Doney
Mr. North	

(Teller.)

## NOES.

Mr. Coverley	Mr. Needham
Mr. Cross	Mr. Nulsen
Mr. Doust	Mr. Raphael
Mr. Fox	Mr. Rodoreda
Mr. Hawke	Mr. F. C. L. Smith
Mr. Hegney	Mr. Styants
Mr. Lambert	Mr. Tonkin
Mr. Marshall	Mr. Willcock
Mr. Millington	Mr. Wise
Mr. Munsie	Mr. Wilson

(Teller.)

## PAIRS.

AYES.	NOES.
Mr. Warner	Mr. Collier
Mr. Boyle	Miss Holman
Mr. Ferguson	Mr. Johnson
Mr. J. M. Smith	Mr. Troy
Mr. Stubbs	Mr. Willcock
Mr. Brockman	Mr. Withers

Amendment thus negatived.

Clause put and passed.

Clause 3—agreed to.

Clause 4—Government authorised to carry on certain insurance business:

Hon. N. KEENAN: I move an amendment—

That all the words after "business" in line 5 be struck out with a view to inserting the words "as above defined."

Amendment put and negatived.

Clause put and passed.

Clauses 5 to 7—agreed to.

Clause 8—State Government Insurance Office to be deemed an approved incorporated insurance office for the purposes of the Workers' Compensation Act, 1912-24:

Mr. McDONALD: Under the Workers' Compensation Act, the Minister is empowered to approve of insurance companies. The clause is unnecessary because, if the State office is given authority to carry on workers' compensation business, it should apply for permission to carry on, as any other office has to do. Otherwise the State office would start off as an approved office, and would therefore have a monopoly of workers' compensation insurance until approval was given by the Minister to other offices operating in workers' compensation. The intention of the Act would be observed and the whole business placed on a proper basis if the State office and the private companies were put on the same footing. The Minister would give

his approval to the State office or any other office which was carrying on legitimate workers' compensation insurance upon terms that were reasonably fair. We should not remove the State office from the jurisdiction of the Minister under the parent Act. Let the State office observe the same obligations as other offices have to do, and do not automatically confer a monopoly on the State office until such time as the private offices receive, at the Minister's discretion, permission to carry on workers' compensation insurance. I hope the clause will be deleted.

The MINISTER FOR EMPLOYMENT: I hope members will not be impressed by the arguments of the member for West Perth. If the clause is agreed to, it will make clear beyond any doubt that the State office is an approved office for the transaction of workers' compensation insurance. If that is not done, it will be within the power of the Minister from time to time to say whether the State office is to be approved for such a purpose. The position should be made secure that the State office shall be an approved office.

Mr. McDONALD: If the State office is to be what is expected of it by the Minister, it must be able to stand up to fair competition with private offices. It must be at least as good as the private offices; otherwise there will be no justification for it. If it is as good, it should not be afraid of seeking and securing approval as readily as a private office can obtain it. I cannot see why the State office should not be subjected to the general administration and control of the Minister, as is a private office. If any private office operated in a manner prejudicial to the State, doubtless the Minister would withdraw his approval. The object of Section 10 was to give the Minister some control over the operations of private companies. Why should not the Minister retain similar control over the State office and expect similar standards? The State office would have a monopoly until the Minister approved of other offices conducting workers' compensation insurance.

The Minister for Employment: That would not be very long.

Mr. McDONALD: But why confer it at all? Why the need? Why give special protection to the State office as against pri-

vate companies? Why not let it stand on its own feet and earn the approval of the Minister and justify it, as private companies have to do? If we establish the State office for this class of insurance, it should be subjected to exactly the same standards as are required of private companies. I do not wish to see special protection given to the State office. Let it earn its approval and continuation of approval as a private company has to do.

The MINISTER FOR EMPLOYMENT: If one could be sure that the position of the State office would always be decided upon the basis of merit, the clause might not be necessary, but as one cannot be sure that that policy would be followed, it is essential that the State office should be approved by Parliament. If, because of lack of merit or for any substantial reason, Parliament considered that the State office was no longer entitled to approval, such approval could be cancelled. We are not asking that the State office be given any advantage over private companies. The fear that the State office might be given an open field for a considerable period and thus monopolise workers' compensation business is not likely to be realised. There is no desire to give the State office any undue advantage. There will be a willingness to approve of suitable private companies to conduct workers' compensation insurance provided they are prepared to act fairly and justly. The proposal is perfectly safe. The State office, on past administration, is entitled to our confidence. If the confidence be misplaced in future, it will be within the power of Parliament to remedy the situation.

Hon. N. KEENAN: I do not think the Minister desires to mislead the Committee. I would point out, however, that under Section 10 of the Workers' Compensation Act it is obligatory upon every employer to insure his employees with an approved assurance company. At present no single incorporated insurance company has been approved by the Minister. If the Bill becomes law, and includes this clause, the State Insurance Office will be the only insurance office approved, and it will be obligatory, therefore, upon every employer to insure in that office. It is another way to obtain a complete monopoly for the State Office. True, that can be defeated if the Minister grants his approval to other incorporated in-

surance offices, but he may not grant that approval. I hope the clause will be reconsidered.

Hon. C. G. LATHAM: Will the Minister tell us why approval has not been given to private companies to insure under Section 10 of the Workers' Compensation Act? Ever since the Act was amended no attempt has been made by the Government to give approval to any company. To make insurance compulsory all the Minister had to do was to give his authority to certain insurance companies. The State Office cannot be given the necessary authority because it is not yet a statutory body. This clause will mean giving the State Office an absolute monopoly of this business. I am not satisfied with the manner in which the State Office treats its clients. If there is any doubt about a case it goes at once to the Crown Law Department, where the Office has free legal advice. In most cases private companies meet claims very justly, and in cases of doubt companies have been known to pay up to 50 per cent. of a claim. When the State Office refers to the Crown Law Department, the view is often taken that the Office is not liable. If the case goes to court the State stands behind the office. During the last session of Parliament the member for Guildford-Midland asked for certain papers, and was going to move for the appointment of a select committee to inquire into the case. Meanwhile the Government evidently persuaded the State Insurance Office to meet the claim, and the motion was withdrawn. It should not devolve upon members of Parliament to have to use their influence in the House to see that justice is done.

The Minister for Justice: Do you know of any company that will quote for the Third Schedule risks?

Hon. C. G. LATHAM: The State Office has been in existence to meet such cases. It does not require Clause 8 for it to carry on. If quotations were asked of outside companies they would probably be given. In the beginning the companies had no data to work upon, and did not know what the risks were. I know that members on this side of the House would be sorry to see all workers' compensation business put into the hands of the State Office. This clause will probably lead to the defeat of the Bill.

Mr. HUGHES: This is another kite-flying measure. We all know that this is the

clause that would prevent the Bill from becoming law. For years the worker has gone without any protection because there has been no approved insurance company to cover him. Time and again when the worker has lost his compensation there has been no prosecution. This is a surreptitious attempt to establish a monopoly. The whole tenor of the Minister's speech was, "We want competition in the insurance business," but at the end of the Bill we find the clause that will establish a monopoly for the State. Without this clause, if the Bill becomes law, the Government can still approve of the State Office, and can do all that is desired. It is a tragic thing for a worker to meet with an injury and find he can get no compensation. We ought to do all we can to rectify that position. If anything will defeat the Bill this clause will.

Mr. Raphael: Not necessarily. Another place may knock it out, and the Bill may come back without it.

Mr. HUGHES: Presumably the member for Victoria Park proposes to vote in support of the deletion of the clause when the Bill comes back from another place with the clause struck out.

Mr. Raphael: You do not know what I am going to do.

Mr. HUGHES: If the Government want the Bill to pass, they will do well to drop this clause. If it is deleted elsewhere, nothing will be done here to resist another place. Then the remedy will be to go to the country on the question whether the Chamber elected on the adult franchise shall govern. Do the workers wish to be insured off the job as well as on the job? I have no doubt that such a scheme would appeal to every worker in Western Australia. I shall vote for the striking-out of the clause; and if the Bill with the clause deleted does not pass another place, the Government should immediately go to the country and test the feeling of the people on that issue.

Hon. C. G. Latham: The Government will never accept such a challenge as that.

Mr. HUGHES: Having been re-elected on that definite question, the Government would be justified in forcing the issue.

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

Ayes	..	..	..	..	19
Noes	..	..	..	..	14
					—
Majority for	..	..	..	..	5

## AYES.

Mr. Coverley	Mr. Needham
Mr. Cross	Mr. Nulsen
Mr. Doust	Mr. Raphael
Mr. Fox	Mr. Rodoreda
Mr. Hawke	Mr. F. C. L. Smith
Mr. Hegney	Mr. Styants
Mr. Lambert	Mr. Tonkin
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Wilson
Mr. Muosie	

(Teller.)

## NOES.

Mr. Hill	Mr. Patrick
Mr. Hughes	Mr. Sampson
Mr. Keenan	Mr. Seward
Mr. Latham	Mr. Thorn
Mr. Mann	Mr. Watts
Mr. McDonald	Mr. Welsh
Mr. McLarty	Mr. Doney

(Teller.)

## PAIRS.

AYES.	NOES.
Mr. Collier	Mr. Warner
Miss Holman	Mr. Boyle
Mr. Jonsson	Mr. Ferguson
Mr. Troy	Mr. J. M. Smith
Mr. Willcock	Mr. Stubbs
Mr. Withers	Mr. Brockman

Clause thus passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

## BILL—PEARLING CREWS ACCIDENT ASSURANCE FUND.

### Second Reading.

Debate resumed from the 22nd September.

**MR. COVERLEY** (Kimberley) [8.28]: I support the Bill. It is not a matter of grave concern to the House, but purely a domestic Bill giving legal authority to pearling crews and master pearlers to make an agreement whereby the workers in the industry shall be insured against the risks of accident and death. The measure has been agreed to by both the parties interested. The Leader of the Opposition has commented on the Bill to the effect that in his opinion it is something that is being forced on the crews against their will. I assure the House that such a view is wrong. When this Chamber passed a workers' compensation measure some years ago, indentured crews were included in its scope. By a special amendment made in the following session those crews were excluded. Ever since the indentured crews, represented by the secretaries of their several clubs, have been negotiating with the committee of the Master Pearlers' Association in an endeavour to draw up an agreement that will bring the men under the Workers' Compensation Act. As a result of conferences that have

been held, agreement has been reached on the matters covered by the Bill. The Minister for the North-West was approached by the Pearlers' Association with the request to introduce this legislation. I am only too pleased to support the Bill, which will provide an insurance cover for the crews who have to take the very considerable risks involved in the pearling industry. The compensation that will be available is not large. I understand the greatest amount, which will be payable on the death of an employee, will be in the vicinity of £50. The crews are already covered regarding medical attention and hospital accommodation under the indentures that are signed before they enter this country. In addition to that, the master pearlers have to put up a certain amount under bond in order that they shall ensure the return of the Asiatics to the country whence they came. Probably that is the reason why the compensation provided will not be large. That explanation should satisfy the Leader of the Opposition, who feared that the crews were being forced into an arrangement against their wishes. I can assure him the facts are quite to the contrary. Another objection raised by the Leader of the Opposition was to the proposal to make payments to representatives of the clubs to which the members of the indentured crews may belong. To those who do not understand the local position, that may appear a casual manner of dealing with it.

Hon. C. G. Latham: The point I took was that the employees were being asked to pay as well as the employers.

Mr. COVERLEY: I will deal with that point too. The hon. member also raised the point I mentioned. As a matter of fact, that represents the only economic and sound way those engaged in the pearling industry can handle such matters. That is because of the number of nationalities involved. There are Malays, Japanese, Koepangers, Chinese and so on. The average master pearler has no knowledge whatever regarding the next of kin and so forth of any individual member of his crew. The various nationalities are represented by their several clubs who have paid secretaries whose duty it is to handle the business affairs of their members and make necessary arrangements with the master pearlers. That is why the business is handled through the clubs and the paid secretaries go direct to the pearlers' committee to make final arrangements re-

garding various matters involved in the industry. They naturally have a complete list of the personal details regarding their club members. In the circumstances, they are the proper people to deal with this business. I assure the Leader of the Opposition the matter can safely be left in the hands of those individuals. Then the hon. member referred to payments being made by both parties. I do not know that it should concern this House very much if an arrangement is arrived at mutually between the employees and the employers.

Hon. C. G. Latham: They will not pay much, and some will only get 25s. a month.

Mr. COVERLEY: I think they will pay 5s. a year and that amount will also be paid annually by the employers. That may represent upwards of £10 for the pearlers who are carrying on in a big way, but that will naturally justify the larger payment on their account because they employ a greater number of men and have more boats operating than the pearler who is carrying on in a small way. However, this is a mutual arrangement reached after negotiations extending over a considerable period. If agreement has been reached on that point, Parliament should not interfere with what is merely a domestic affair. Again the Leader of the Opposition criticised the position regarding shell-openers. I hope he will not press for any amendment.

Hon. C. G. Latham: You do not desire to cover white men?

Mr. COVERLEY: There are only two white shell-openers in Broome and there have not been more for years.

Hon. C. G. Latham: That has been so only since the price of shell dropped.

Mr. COVERLEY: As a matter of fact, some white people who own boats do their own shell opening, but they should not be included under the Bill.

Hon. C. G. Latham: I do not intend that.

Mr. COVERLEY: Then apart from them, there are only two white shell-openers in the industry at Broome, and my objection to including them is that I know they have a private arrangement with their employers. It would not be right to include those two individuals and bring them down to the level of coolie labour.

Hon. C. G. Latham: That is not fair; that was not my intention.

Mr. COVERLEY: I do not accuse the Leader of the Opposition of deliberately en-

deavouring to belittle the white shell-openers, but I am pointing out what the effect will be if he insists upon his proposed amendment. I hope he will not press it because the effect will be to belittle those white men and bring them down to the level of coolie labour. I am sure no member of the House desires to do that. The matter can safely be left to the private arrangement they have with their employers. The Leader of the Opposition also referred to the provision for £1,500 with a limitation of the period for three years. I do not see what good could result from altering that arrangement. I have not been able to secure any statistics bearing on the matter. This proposal is an innovation, hence the limitation to a period of three years. Before the lapse of that period, the pearlers will be in a position to advise on this phase and probably they will seek an amendment in that respect. I thought that would be a reasonable attitude to take, seeing that the companies are not being controlled in any way prior to the passing of this legislation. If the Bill becomes law, it will be realised that no greater amount can be called up for three years. By that time it will be found how far they have gone with the scheme and, if necessary, it can then be amended. I commend the Bill to the House. I have already pointed out that it is a domestic affair, and that both parties to the argument have asked for it. It is still experimental, and for that reason I should not like to see the clause prescribing £1,500 for three years altered. I hope the House will pass the second reading.

**THE MINISTER FOR AGRICULTURE** (Hon. F. J. S. Wise—Gascoyne—in reply) [8.52]: I am not sure whether the Leader of the Opposition heard the whole of my speech when I was moving the second reading of the Bill. I know he was present some of the time, but I feel sure that had he listened attentively to the case submitted by me, many of the complaints he has made would not have been voiced.

Hon. C. G. Latham: I noticed that you rectified them quickly.

**The MINISTER FOR AGRICULTURE:** Not any one of my amendments on the Notice Paper deals with the matters referred to by the hon. member. As I explained at the time, this Bill emanated en-

tirely from a desire on the part of the pearler, the diver and the crew to come to an arrangement for a fund that would satisfy the nationals working in the industry. There has not been any disturbance or unrest, but those who represent the various nationals thought it would be a good gesture on the part of the white owner if some arrangement such as this could be made. There is nothing in the Bill that they do not desire, nothing that they did not know of before it became a Bill; and the amendments on the Notice Paper in my name all emanated from the same source. It will be noted that there is a great deal of similarity between some of my amendments and those of the Leader of the Opposition. Whilst my amendments came from the source I have mentioned, and whilst I have very great respect for the capacity of the Leader of the Opposition, I suggest that his amendments did not emanate from him. The amendments in my name were forwarded to me by a committee of the pearlers and the interested parties.

Hon. C. G. Latham: I assure you they did not forward me any.

**The MINISTER FOR AGRICULTURE:** I accept that assurance. Yesterday I received a telegram from the chairman of the Pearlers' Association reading, "Re my letter of the 17th instant. General meeting has confirmed committee's suggestions." So apart from the original Bill, all the amendments have been thoroughly debated by those concerned, who are whole-heartedly in accord with the Bill plus the proposed amendments. The Leader of the Opposition said it was extraordinary that last year I asked for power to reduce the license fees, and that now I propose to put a tax on the industry. I submit that I am not doing anything of the sort, that I am doing nothing that is not desired by all the parties concerned. The hon. member said the State is being asked to forgo certain license fees with a view to paying into a proposed fund. That also is not correct.

Hon. C. G. Latham: Did not you reduce the license fees?

**The MINISTER FOR AGRICULTURE:** The hon. member knows that after the disaster of 1935, when a very prohibitive license fee was levied on all boats operating, and as it was not possible under the existing law to obtain a license fee for a boat that had not worked a month before being

destroyed by a cyclone, I introduced a Bill to give the Minister that authority and to fix the license fee. The hon. member knows that.

Hon. C. G. Latham: Did you reduce the license fee?

The MINISTER FOR AGRICULTURE: Yes.

Hon. C. G. Latham: For all luggers?

The MINISTER FOR AGRICULTURE: For all luggers, according to their power. It is not possible for all members to know what life in Broome is or to know the conditions of the industry. Not only do the Japanese have their own club, which is not the sort of club facetiously suggested by the member for Toodyay (Mr. Thorn), namely a fan-tan school, but is simply their association where they meet and discuss their problems, but in each instance, each nationality has a secretary who looks after the affairs of his own men. So they are known as a club and are referred to in the Bill as a club. They look after all the interests of all the men of their nationality, so it is by no means a fan-tan school, but is unquestionably a club.

Hon. C. G. Latham: Do the clubs advance the money?

The MINISTER FOR AGRICULTURE: No, that is done by the secretary or the representative of the person concerned.

Hon. C. G. Latham: It is not a club, because they advance money; of course they do.

The MINISTER FOR AGRICULTURE: Of course they do not. The hon. member is again demonstrating that he knows very little about the conditions of the industry. There was another unfortunate remark made by the hon. member, which I am sure he would not have made had he known more about the question. He said the money should not be handed over to an irresponsible board, and he also said that the unfortunate crews were being forced into this whether they liked it or not. That is not so.

Hon. C. G. Latham: They will have to pay, whether they want to or not.

The MINISTER FOR AGRICULTURE: That is not what the hon. member said.

Hon. C. G. Latham: They will have to pay 35s. a month.

The MINISTER FOR AGRICULTURE: You are changing the fee now. There is no desire on my part or on the part of the Government to force the crews, or even the

pearlers, into this position. It is their own arrangement.

Hon. C. G. Latham: Then what is this legislation for?

The MINISTER FOR AGRICULTURE: To give them legal authority to constitute this fund.

Hon. C. G. Latham: And to compel everyone to pay.

The MINISTER FOR AGRICULTURE: It is the express desire of all those working in the industry to make a very fine gesture from the white owners to the coloured people. That is simply the desire of all concerned, and I hope the Bill, with the amendments on the Notice Paper in my name, will be passed.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Sleeman in the Chair; the Minister for Agriculture in charge of the Bill.

Clause 1—agreed to.

Clause 2, Definitions:

The MINISTER FOR AGRICULTURE: I move—

That before "seamen" in the definition of "Crew" the word "ordinary" be inserted.

Hon. N. Keenan: Why?

The MINISTER FOR AGRICULTURE: Because the other members of the crew particularly mentioned in this clause are also considered seamen, and the other members of the crew not named desire to be named ordinary seamen.

Hon. N. KEENAN: The word "ordinary seaman" has a meaning as distinct from an A.B. The ordinary seaman in the British Merchant Service has to spend two years at sea before qualifying as an A.B. I do not know why a term like "ordinary seaman," which has a particular meaning, should be used in this Bill, but if the parties want it, and it covers the ground intended, I offer no objection.

Hon. C. G. LATHAM: I have a prior amendment.

The MINISTER FOR AGRICULTURE: I overlooked that. I ask leave to withdraw my amendment temporarily.

Amendment by leave withdrawn.

Hon. C. G. LATHAM: I move an amendment—

That before "diver," in the definition of "crew," the word "shell-opener" be inserted.

The Bill proposes to give certain cover to the crews of the pearling luggers. The member for Kimberley has pointed out that there are only two white men who usually follow the avocation of shell-openers. I think they should have some cover. I do not want to bring them to the level of Asiatics, but if we are going to give cover to Asiatics, we should give cover to our own people first. If provision is not made here, we should make provision.

The Minister for Agriculture: The member for Kimberley assured us that they have a private arrangement.

Hon. C. G. LATHAM: What is the Bill for but to carry out a private arrangement? Why are they not included in it?

The Minister for Agriculture: They have a private cover.

Hon. C. G. LATHAM: A private cover? Why do not the other men have a private cover? The intention of course is to compel some people who probably may not desire to get the cover to have it, whether they want it or not.

The Minister for Agriculture: No.

Hon. C. G. LATHAM: Of course it is. Why should there be private arrangements for white people and special legislation for Asiatics? It is to override their indentures. It is proposed that certain money should be paid and that this money should be deducted from the pay of the crews.

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

Ayes	..	..	..	12
Noes	..	..	..	20

Majority against .. .. 8

#### AYES.

Mr. Hill	Mr. Sampson
Mr. Keenan	Mr. Seward
Mr. Latham	Mr. Thorn
Mr. Mann	Mr. Watts
Mr. McLarty	Mr. Welsh
Mr. Patrick	Mr. Doney

(Teller.)

#### NOES.

Mr. Coverley	Mr. Munsie
Mr. Cross	Mr. Needham
Mr. Doust	Mr. Nulsen
Mr. Fox	Mr. Raphael
Mr. Hawke	Mr. Rodoreda
Mr. Hegney	Mr. F. O. L. Smith
Mr. Hughes	Mr. Styants
Mr. Lambert	Mr. Tonkin
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Wilson

(Teller.)

Amendment thus negatived.

The MINISTER FOR AGRICULTURE:  
I move an amendment—

That before "seamen" in the definition of "Crew," the word "ordinary" be inserted.

Amendment put and passed.

The MINISTER FOR AGRICULTURE:  
I move an amendment—

That before "means" in the definition of "Licensed pearler," the words "or pearler" be inserted.

There are parts of the Bill where the word "pearler" is used.

Hon. N. Keenan: Are there any pearlers who are not licensed?

The MINISTER FOR AGRICULTURE:  
No.

Hon. C. G. LATHAM: On the second reading I understood the Minister to say that this was intended to apply all the way down the coast. I asked whether it was to apply at Shark Bay and Onslow, and I was under the impression that he replied in the affirmative.

The Minister for Agriculture: At Onslow, but not at Shark Bay.

Hon. C. G. LATHAM: The Minister will agree that there are different licenses along the coast.

The Minister for Agriculture: Yes.

Amendment put and passed.

The MINISTER FOR AGRICULTURE:  
I move an amendment—

That in the definition of "Licensed pearler" the words "an exclusive license" be struck out.

Amendment put and passed.

The MINISTER FOR AGRICULTURE:  
I move an amendment—

That the words "a ship license" be inserted in lieu of the words struck out.

Hon. C. G. LATHAM: There are several licenses under the Pearling Act, amongst which are a ship's license and a general license. Is it not necessary to include a general license?

The MINISTER FOR AGRICULTURE:  
It is not necessary to include a general license because that form of license applies only to Shark Bay. Pearlers are able to purchase a general license and dredge in the Crown areas there.

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

Clause 3—The board; its constitution:

Hon. C. G. LATHAM: Subclause 3 provides that the chairman of the Pearlers'



Committee shall be the chairman of the board, but in his absence he may nominate a member of the board to act as vice-chairman. In default of such nomination, the members of the board may themselves nominate one of their number to act as chairman. That is not democratic legislation. Surely the board should choose a deputy. I move an amendment—

That the words "he may nominate a member of the board to act as vice-chairman. In default of such nomination" be struck out.

**THE MINISTER FOR AGRICULTURE:** Members would be unwise to accept the amendment, which has been inserted for a particular purpose. I would point out the mixed personnel of the board. If the chairman cannot be in attendance, it is necessary that he should have authority to deputise his power as chairman to some member considered desirable. Many matters will be discussed which will render it advisable that a member of his choice should act for him.

**Hon. C. G. LATHAM:** The answer is not satisfactory. The board is to consist of the chairman of the Pearlery Committee, Broome, the president of the Japanese Club, Broome, the pearling inspector stationed at Broome—he should have been mentioned before the president of the Japanese Club—two licensed pearlery and two other members elected by the crews, one by the Japanese members and the other by the combined Malay, Chinese and Koe-panger members. The Minister suggests that one of the Asiatics might be appointed to act as chairman. That is impossible. Provision is made later that there shall be present an equal number of members, coloured and white, before any business may be transacted. If members are going to pass this kind of legislation, they must not complain if, in future, similar legislation is introduced by others.

**Mr. Marshall:** If the Upper House throws this out, we will go to the people on it.

**Hon. C. G. LATHAM:** You will not go to the people unless you are compelled to. The chairman will make his own selection, which is not democratic procedure. Surely that proposal will not be supported by members on the cross-benches!

Amendment put and negatived.

Clause put and passed.

Clause 4—Duties and powers of board:

**Hon. C. G. LATHAM:** It is proposed under the Bill to raise £1,500 during the first three years. I want to limit the levies that can be made on the pearlery to one in any period of 12 months. I move an amendment—

That in line 10 of paragraph (c) of Sub-clause 2, after "levies" the words "(but not more than one levy in any particular period of 12 months)" be inserted.

The pay that some members of the crew receive is very low, ranging from 25s. to £2 a month.

**THE MINISTER FOR AGRICULTURE:** It would be unwise to accept this amendment. It may be necessary to make a second levy owing to the condition of the fund being such that a particular claim could not be met.

**Hon. C. G. Latham:** You are taking the fees too.

**THE MINISTER FOR AGRICULTURE:** The fund is limited to £1,500, and some injustice might be done if it were impossible to meet a claim without making a levy.

**Hon. C. G. LATHAM:** The contributions to the fund work out at about £10 per lugger. Some of the pearlery own several luggers. The levies are an addition to the ordinary contributions.

Amendment put and negatived.

**THE MINISTER FOR AGRICULTURE:** I move an amendment—

That at the end of paragraph (c) of Sub-clause 2, the following words be added:—"and that a pearler shall pay an amount equal to the total amount paid by the crews employed by him and no more."

Amendment put and passed.

**THE MINISTER FOR AGRICULTURE:** I move an amendment—

That in line 13 of paragraph (d) after "crew" the following words be inserted:—"And a limit in the case of each pearler equal to the aggregate amount of the levies paid by the crews employed by that pearler."

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

Clause 5—How fund constituted:

**THE MINISTER FOR AGRICULTURE:** I move an amendment—

That Subparagraph (ii) be struck out and the following inserted in lieu:—"In the case of tenders, engine-boys, carpenters and boat-swains the sum of £1 per annum, and in the case of ordinary seamen the sum of 5s. per annum."

The seamen should have to pay a lesser amount than the others.

Amendment put and passed.

The MINISTER FOR AGRICULTURE:

I move an amendment—

That at the end of Subclause (3) the following words be added:—"But any such scale shall be based on the principle that the contributions to be made by each pearler shall not exceed the aggregate contribution made by members of the crews employed by him."

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

Clauses 6 to 8—agreed to.

Clause 9—Fund may be utilised and paid in claims:

Hon. C. G. LATHAM: I move an amendment—

That Subclause 3 be struck out.

The subclause provides that the board's decision shall be absolutely final in regard to all questions and shall not be subject to review or be liable to be quashed in any court whatsoever. Here is another of those automatic provisions. It is an idea of the Minister with which I do not expect hon. members will agree. We may anticipate much legislation of this nature from the Minister. He sets himself up as a dictator, and will not have any deputation in his office until the end of the year, as announced through the Press. Let us follow the British custom of granting a right of appeal in cases of dissatisfaction.

Amendment put and negatived.

Clause put and passed.

Clause 10—agreed to.

Clause 11—Board may make payment to consular representative on behalf of relatives or dependants of deceased member of crew:

Hon. C. G. LATHAM: The provisions of the clause are extraordinary. I hope the Minister's weak reply will not be allowed to prevail, that the association or club referred to is something in the nature of a trade union. It is nothing of the sort. If it were so, how could there be both a club and an association? It should be a case of either one or the other. I speak from knowledge, because I happen to have been in a Japanese club. I move an amendment—

That the following words be struck out:—"or to any association or club of which he may have been a member, and the receipt of any such association or club on behalf of the

relatives or dependants of the deceased shall be a sufficient discharge to the board."

For those words, if struck out, I propose to substitute the following:—

"All members of crews of pearling ships shall furnish to the Board in the prescribed manner and at the prescribed time, particulars of their relatives and dependants, and may nominate, with the right of revoking the nomination, a person or association in the State, to whom any payment by the Board in the event of death may, if the Board thinks fit, be made, and the receipt of the person or association nominated shall be a sufficient discharge to the Board for any payment made in accordance with any such nomination in force at the date of death."

At present there seems no way of ascertaining who are the dependants of a member of a crew. The proper course is to ascertain who the dependants are; and that information should be recorded, and the money paid to the consular representative, if there is one, or to anyone else who may be nominated. I also wish to provide that the consular representative shall give a receipt in the same way as a club or association.

The MINISTER FOR AGRICULTURE: If the words are deleted, it will in many cases be impossible to make payment, because the only consular representative at Broome is the Japanese Consul. Other nationals have representation through a club or association.

Hon. C. G. LATHAM: Is it not necessary to have a discharge from the consular representative, who is not provided for in the clause as it stands?

The MINISTER FOR AGRICULTURE: By inserting the necessary words, we could provide for the giving of a receipt by the consular representative.

Amendment put and negatived.

Clause put and passed.

Clauses 12 to 15—agreed to.

New clause:

The MINISTER FOR AGRICULTURE: I move—

That the following be inserted to stand as Clause 11A:—"Where the board has determined to make payment from the fund to any dependant or relative of any deceased member of a crew and the payee cannot subsequently be found, the sum payable shall be retained in the fund, or if it has been paid to any person, association or club on behalf of the payee, it shall be repaid to the board."

Hon. C. G. LATHAM: How does the Minister propose to procure this informa-

tion? This is the most stupid amendment I have ever heard. We are handing over to irresponsible individuals, such as clubs and secretaries, certain responsibilities, and we say to them, "If you like, you can come along and tell us if you have not found the dependants of these deceased persons. If you cannot, you can refund the money."

New clause put and passed.

Title—agreed to.

Bill reported with amendments.

## ANNUAL ESTIMATES, 1936-37.

### *In Committee of Supply.*

Debate resumed from the 17th September on the Treasurer's Financial Statement, and on the Annual Estimates; Mr. Sampson in the Chair.

*Note—Legislative Council, £1,865:*

**MR. NEEDHAM** (Perth) [9.41]: It will be appropriate, on the discussion of the Budget, to allude to the financial relationship between the States and the Commonwealth. In that regard one can refer to the recent special grant to Western Australia. The matter was debated on another motion recently, but I think there is room for further reference to it, and perhaps one can mention the genesis of that particular type of grant. This year, the Federal Grants Commission have been generous enough to provide this State with £500,000.

Mr. Cross: Did you say "generous"?

Mr. NEEDHAM: It is agreed by members on both sides of the House that the grant of £500,000 is inadequate and, in a sense, inequitable. Recently the Prime Minister made a statement to the effect that while the Government of Western Australia complained about that grant and emphasised its inadequacy, no complaint had been made by the State when we received £800,000 last year. It is quite easy to understand why there was no complaint then, because a payment of £800,000 was more in keeping with the State's disabilities. On the other hand, the present grant of £500,000 is not at all commensurate with the disabilities under which Western Australia is labouring. Either we are suffering disabilities in consequence of Federation, or we are not. I have contended for years past that Western Australia has undoubtedly suffered disabilities as a result of Federation,

and is still suffering in that respect. The question arises—it has been debated already—whether the State should receive a grant from the Commonwealth on the basis of disabilities or on that of necessities. Undoubtedly the grant should be based on disabilities. In justification of the smallness of the grant, the Prime Minister pointed out that there is an additional £45,000 as against the grant on a former occasion, and that if the Federal Government had been guided by the report of the Commission a few years ago, this State would be entitled to only £456,000. The extra amount to bring the grant up to £500,000 has been provided in order, as it were, to meet the extra necessities of the State this year. In view of the bad season we are experiencing, the extra £45,000 is in no way commensurate with the difficulties that lie ahead of us. We have been hoping against hope that this season's wheat yield will be more bountiful than was anticipated. I realise that as a result of the recent rains, the season will not be as bad as was thought a week or so ago. Notwithstanding the improvement that may result from the latest rainfall, the State will be hard-pressed to meet its liabilities for 1936-37 on account of the considerable falling off in the wheat yield. The fact that Federation has worked disadvantageously to the smaller States, and advantageously to the larger States, is not now in question. I have a distinct recollection of the discussion in the Senate on the States Grant Bill in 1927. I said then, as I say now, that the passage of that measure meant the destruction of State rights and practically the abolition of State self-government. The most rabid unificationist could not have desired a Bill more in line with his thought than the States Grants Bill of 1927, because it resulted in effectively strangling State rights and entirely demolishing the financial autonomy of the States. I will go further and say that the day the Senate agreed to the States Grants Bill, that day the Senate lost all claim to be regarded as the States Rights House. The States Grants Bill was followed later by the Financial Agreement which, together with the Bill, entirely abolished the per capita system of payments that had operated in favour of the States in the preceding years of Federation, and substituted a system of financial decapitation. The position was bad enough when the Financial Agreement was reached. If it had remained

as a statute of the Commonwealth Parliament, there might have been a chance some day of altering the provisions of that agreement or to have escaped from its effects upon this State. But when, after a referendum of the people, it was inserted in the Constitution, that was the last straw so far as the financial comity of the States was concerned, and as a result we have been suffering ever since. In that regard it might be well to look at the figures of the referendum, which was held in December of 1919 in connection with the Financial Agreement. They are very illuminating, and they show that all the States agreed by a majority to place this statute in the Constitution. Whilst the people voted for that Financial Agreement, I think they voted without really understanding what it meant, and that any bad results that have arisen from its being placed in the Constitution should be laid, not at the door of the people, but at the door of the leaders of public thought, who impressed upon the people the necessity for placing the Financial Agreement in the Constitution. In connection with those leaders of public thought, I draw attention to the fact that when those two measures, the States Grants Bill and the Financial Agreement Bill, were before the Federal Parliament, a member of the Country Party of that day, Mr. Prowse, voted in favour of the Financial Agreement Bill and the States Grants Bill, and that in the Senate they were supported by Senator Pearce, Senator Carroll, and Senator Kingsmill, and opposed by Senators Graham, Lynch and myself. In the House of Representatives Mr. Maxwell, then a member of that Chamber and a member of the National Party, was the only one that voted against the Financial Agreement. So far as the senators who supported it are concerned, two of those I have mentioned have gone to their heavenly reward, namely, Senators Carroll and Kingsmill, but the third senator, Senator Pearce, is still reaping his earthly reward. He is the one man that I know took a leading part in advising the people to have the Financial Agreement embodied in the Constitution, and so he must accept his share of the blame for the disaster that has befallen the small States as the result of the Financial Agreement. I venture to say that if there were an opportunity to re-submit this question to the people, many of the leaders of public thought of that day who advocated the inclusion of the two measures in the Consti-

tution would change their opinion and do their very best to have the Financial Agreement taken out of the Constitution. I do not know whether or not that chance will come, but at any rate I think if there are to be any more Premiers' conferences held, this question should be a very vital one at any such conference. Those conferences have not done much good so far as they have gone. In all the years that the Premiers' conferences have been held, I know of nothing that has resulted of benefit to the States as the result of one of those conferences. In fact I look upon Premiers' conferences as I look upon Royal Commissions. Very little good results from a Royal Commission; I do not suppose two of them have conferred any benefit on the people of the Commonwealth, and I have yet to learn of any benefit that a Premiers' conference has bestowed on the people of the Commonwealth. The question of the financial relationship between the Commonwealth and the States has resulted in many discussions, not all of which have been confined to the people of the Commonwealth. I notice that the London "Times" a day or two ago referred to it as a result of a communication from its Canberra correspondent. The "Times" gives prominence to the article from its correspondent criticising the Commonwealth Government's attitude to the States, and suggesting that there is a growing feeling that the Premiers' conference, as a means of solving issues between the Commonwealth and the States, must be superseded by some instrument occasionally producing results. The writer goes on to say that there is a disinclination on the part of the Commonwealth and State Governments to ensure any basis of practical compromise, and that the conference resolves itself into a series of manoeuvres for political advantage. The Australian financial position, this correspondent goes on to say, is that the Commonwealth occupies most of the taxation field, while the States, with ever-growing obligations, are able to balance their budgets only by means of Commonwealth largesse. He says that this unsound system which enables one Government to raise money and others to spend it, and that if the situation should be considered strictly in the spirit of the Constitution, there would be readjustments depriving the Commonwealth of its financial hold on the States and restoring to the States

the responsibility of raising their own revenue. Unfortunately, he adds, the States never present a united front, and so the Commonwealth, secure in the control of the purse, pleads that it cannot please all the States and must be excused from taking measures that might offend any of them. That statement sums up the situation and brings me to another matter, which for some time has been lost sight of. A few years ago the necessity for a revision and review of the Commonwealth Constitution was uppermost in the minds of the people. The Prime Minister of the Commonwealth on various occasions not only pointed out the necessity for a convention but, in effect, promised to bring about a convention for that purpose. But when he did set about naming the personnel of the convention, it was found to be lopsided and nearly all in favour of the Commonwealth. I think the time for the calling of that convention is ripe. Let it be a proper convention and let it have perfect liberty to review the Constitution in every phase from the first clause to the last.

Mr. Patrick: Would you have equal representation from the States?

MR. NEEDHAM: Let it be constituted on the basis of equal representation from the States. It should be an elected convention, elected in the same way as are the members of the Commonwealth Parliament. Let the members be 10 or 12 or as many as is preferred from each State, and let that convention thoroughly revise the Constitution. I am not one of those people who believe in secession. I am opposed to it, but I have long realised the fact that there are many defects in the Constitution and that the smaller States especially are suffering as a result. As the years go on these injustices to the States will increase. It is time that public thought was focussed on the necessity for convening or taking the necessary steps to elect a convention for the purpose I have mentioned. The Constitution has been operating for 36 years. It is an instrument framed by human beings and, as a human instrument, could not be expected to be perfect. Thirty-six years of experience has shown us very vividly the faults in the structure. The structure itself is fairly solid and erected on solid foundations, but time has shown its weaknesses, and because those weaknesses are apparent, and the smaller States are suffering and will continue to

suffer, the sooner that convention takes place the better.

Mr. Doney called attention to the state of the Committee.

Quorum formed.

MR. NEEDHAM: I was referring to the necessity for electing a convention to revise the Constitution and particularly to discuss the question of the financial relationship between the State and the Commonwealth. I referred also to the Financial Agreement. It was pointed out by those of us who opposed these measures that for the first few years this State would benefit as a result of the Financial Agreement, but that as the years went on and long before the 58 years had elapsed for which the agreement was supposed to last from the financial point of view, this State would be very much worse off. I have here some figures which prove that contention. They show that the amount that this State has been receiving as a result of the agreement has gradually been reduced. The following is a comparison of the amounts payable under the Financial Agreement with amounts that would have been paid if the per capita agreement had continued to operate:—

	Financial agreement. £	Per capita agreement. £	Increase. £
1927-28 ..	561,194	490,000	71,194
1928-29 ..	555,176	507,000	48,176
1929-30 ..	571,295	521,000	50,295
1930-31 ..	579,598	526,000	53,598
1931-32 ..	592,378	527,000	65,378
1932-33 ..	600,213	529,000	71,213
1933-34 ..	610,258	551,000	59,258
1934-35 ..	617,303	553,000	64,303
1935-36 ..	624,679	559,865	64,814
Totals ..	£5,312,094	£4,763,865	£548,229

Those figures prove that while there was a slight increase each year in payments under the Financial Agreement as against what we would have received under the per capita system, the longer the agreement operates, the worse we shall fare. At that time a computation was made of the prospective increase of population in this State. There was a greater chance for settlement in this State than in any other State of the Commonwealth. Western Australia was the largest State in area, with the greatest area of unalienated land, and consequently it had greater room for population—much greater than had any other of the mainland States.

I computed the annual increase of population in Western Australia during the 58 years of the currency of the Financial Agreement on a basis of 3 per cent. That, to my mind, was a very modest estimate. It might be more, but even at an estimate of 3 per cent., it will be seen that we are still suffering as a result of the Financial Agreement. When the Federal Budget was recently introduced by the Commonwealth Treasurer, he indicated a reduction of something like £5,000,000 in taxation. It is very pleasant for a Treasurer to be able to reduce taxation, but when we realise that the smaller States are suffering disabilities from the union, and when we observe that most of the taxation remitted is being taken from the shoulders of men or organisations well able to bear it, we can only regard it in the way of largesse, and political largesse at that. If one-half of that £5,000,000 had been distributed amongst the States, they would have been considerably assisted in their struggles to make ends meet. Speaking generally of Federal and State Governments and Parliaments, the longer I live the more I am forced to the conclusion that, so far as any great reforms are concerned, reforms necessary for the improvement of the lot of Australian workers and citizens, we can only look to the Federal Parliament to bring them about. The constitutional difficulties in the way of a State introducing reforms to improve the social condition of the people are barriers that cannot be overcome until the Federal Parliament take a hand. As has often been stressed in this Chamber and outside of it, the real reform necessary to bring about improved conditions is monetary reform, which can emanate only from the Federal Parliament. The sooner there are sufficient men in that Parliament to introduce monetary reform, the better for all Australia. The Dominion of New Zealand is prominently before the public gaze at present. New Zealand has a Labour Government for the first time in history, and they are doing wonderful work. They are revolutionising the monetary system, and the eyes of the world are focussed upon their efforts. Some people are apt to say "Look at the Labour Government of New Zealand. Why do not the Labour Government of Western Australia do the same thing?" Those people do not realise the constitutional difficulties in the way of a State Government or a Federal Government, as compared with New Zealand. In the Dominion

the Government have complete control of trade and commerce, banking, and everything else. We know that the position in Australia is different. Again, when we have had Labour Governments, they have been handicapped in other ways—financially by the Loan Council; legislatively by the Legislative Council. All I can say in that regard is that when there was a Labour Government in charge in the Commonwealth, they did some of the biggest things ever accomplished. It must be remembered that there has been only one period during which a Labour Government have been in power in the Commonwealth, and that was in 1910-13. It is true that a Labour Government were in office between 1929 and 1931, but they could do nothing and did nothing worth while, owing to the Senate's hostility. One of the big things accomplished by the Labour Government during 1910-13 was the establishment of the Commonwealth Bank—that institution which has done so much good for Australia and can still do good if it can be fashioned on the lines its founders intended. Another big thing was the construction of the trans-Australian railway, and another was the beginning of the building of the Federal capital. There are differences of opinion as to the utility of the Federal capital. Personally I was against its construction at that time and particularly was I opposed to the site. I still consider that Canberra is 50 or 60 years ahead of its time. Notwithstanding that, those three things represented really big undertakings accomplished by the Government referred to. Unless the reforms I have mentioned are put in hand a danger to the Parliamentary system of government at present in operation is likely to arise. The people are beginning to become restive, and Fascism and Communism are lurking near us. It is not to be thought that because Fascism is rampant in Italy and Germany it will not make its appearance in Australia. Unless the Parliamentary system of government is speeded up, and the reforms that are overdue are put in hand, the system is in danger. The member for Subiaco (Mrs. Cardell-Oliver) referred to Communism. She alleged that the Labour Party was in league with the Communist Party. That is incorrect. I am sorry the hon. member is not in her place. If she knows as much about other subjects as she professes to know about the relationship between Communism and the Labour Party, she is slightly misinformed.

Hon. C. G. Latham: Is not Jock Garden a communist?

Mr. NEEDHAM: If he were he could not be a member of the Labour Party. The Leader of the Opposition knows that the Labour Party in the Commonwealth and in Great Britain has, in season and out of season, opposed Communism, and would not allow any member of the Communist Party to belong to its ranks. It is also well known that Communists have opposed Labour candidates at election time on innumerable occasions. There is not the slightest foundation for the statement that the Labour movement either encourages or appreciates Communism. With respect to immigration, it appears there is a danger of the Commonwealth Government getting their way, and putting into operation another immigration scheme. Fortunately that can only be done in conjunction with the States. According to the latest information I have, to-day's paper, the Commonwealth Government are going to bring the matter before the next conference of State Premiers. I hope none of the State Governments will support the proposal to launch another immigration scheme until such time as the army of unemployed at present in Australia has again been put to full-time work. We have had too much experience of ill-conceived and ill-considered immigration schemes for any man in a responsible position in the Commonwealth to suggest that now is the time for the resumption of immigration. Such a man would be false to the trust reposed in him by the people. It is not to be supposed, because we are just emerging from some years of depression and that the economic position has improved, that we should now throw open our doors to a flood of migrants from overseas. That is quite a wrong assumption. I believe naturally that to develop this country we must have a greater population, but this is not the time to add to our population by an influx of people from overseas. If we had every man working I would have no objection to other people coming into the country, but to embark upon a scheme of migration at this juncture would certainly be the wrong thing to do. There is also the question of electoral reform. At the next Premiers' Conference the question of joining Federal and State rolls could well be discussed again. Even without a Premiers' Conference it is within the province of the State

Government to go into the matter and determine it. It is true that a Royal Commission went into the question, amongst other things, last year, but evidently it did not bring down a recommendation in favour of it. It would be wise to bring about, if possible, coterminous electoral boundaries within the State arena, and also to have a joint Commonwealth and State roll. There is no doubt that numbers of people omit to get their names on the roll, because having applied to be put on the roll for one Parliament they think they have applied for both. Frequently when a citizen signs a claim card for enrolment for the Legislative Assembly he or she thinks that card is filled in for the Commonwealth, and vice versa. If we had coterminous boundaries with a joint roll, a great deal of confusion in the public mind would be saved. The roll would also be in better order, and citizens would be harassed to a lesser extent because of their forgetfulness, or their lack of knowledge in how to enrol for both Parliaments. I also wish to refer to the voting hours. Provision should be made that on election day for the Federal and State Parliaments the poll should close at the same time, namely 3 o'clock. But for the lateness of the hour I would have dealt with these matters more elaborately than I have done. Meanwhile I will content myself by repeating that public opinion should be alive to the necessity for bringing about at the earliest possible moment a convention, elected by the people of the States with equal representation for all the States, to meet and revise the Commonwealth Constitution so as to bring about a better frame of mind and a more equitable relationship, financially and socially, between the States and the Commonwealth, and with a view to strengthening the bonds of Federation.

MR. WELSH (Pilbara) [10.30]: I desire to ask the Minister for Railways whether he will make provision for additional water tanks along the Port Hedland railway. Port Hedland itself is in the unfortunate position of not having any good drinking water. This fact necessitates the carriage of supplies by train over a distance of 50 miles. At that, the train is merely a weekly one; and sometimes the town is left in the position of being short of water. The Minister

will appreciate the seriousness of the question when I tell him that on the 29th August last there were five cases in the Port Hedland hospital, with 20 gallons of water to see them over to the 5th September. If the Minister would make provision for two additional tanks, it would save the town from being short of water. Port Hedland cannot hope for rain till the end of the year, except perhaps an occasional shower. Things would be made more secure if the additional tanks were supplied. This request I do not regard as in any way excessive, and it is made for the sake of preventing the town suffering from shortage of water. There is no doubt about the gravity of the position. Here is a town with a population of approximately 270 people, not counting the travelling public, without any drinking water to draw upon until its arrival by train from Marble Bar, a train that runs only every seven days. Last year I mentioned, on the Estimates, that I would like the Minister for Railways to make provision for concession tickets on State ships for gangers and fettlers employed on the Marble Bar railway. All railway employees in the South enjoy the privilege of free railway travel throughout the State but before a railway employee in the North can take advantage of that privilege, he has to pay £12 on the State or other boats to bring him down when on accumulated annual leave. He does come south only once in three years and concession tickets on State ships would be of distinct advantage to those employees. They cannot take railway trips in the North, except possibly to visit Marble Bar, which is not a very desirable excursion, particularly in summer time. I suggest that this concession might well be granted every three years. Railway employees in the North now have to pay their own fares to come South, and therefore I consider it only just that concession tickets on State ships should be granted to them, especially as every other Government employee has a free pass on State ships.

Progress reported.

*House adjourned at 10.31 p.m.*

## Legislative Council,

*Tuesday, 6th October, 1936.*

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

### QUESTION—AUDITOR GENERAL'S REPORT.

Hon. E. H. ANGELO asked the Chief Secretary: Can he give any indication when the Auditor General's report for the last financial year will be placed before Parliament?

The CHIEF SECRETARY replied: It is expected that the report will be available towards the end of the present month.

### QUESTION—STATE BATTERIES. TAILINGS.

Hon. C. G. ELLIOTT asked the Chief Secretary: 1, What was the average cost per ton of tailings treated at State batteries for the year ended the 30th June, 1936? 2, What was the profit per ton made by State batteries during the same period for treatment of tailings?

The CHIEF SECRETARY replied: 1, The average cost per ton of tailings treated at State batteries for the year ended the 30th June, 1936, was 7s. 2.68d. 2, The profit per ton solely on the treatment of tailings was 7s. 3.24d. Against this, however, there was a loss on milling of 4s. 8.09d. per ton, and payment of cartage subsidies totalling £18,647 10s. On these figures the Department showed a net loss of £2,820 8s. 9d. for the year referred to.

### BILLS (2)—THIRD READING.

1. Land Act Amendment.
2. Cue-Big Bell Railway.  
*Passed.*