

medicine was supplied to the Old Men's Home free of charge.

Hon. S. W. Munsie: That is still done.

Hon. G. TAYLOR: The medicine was sent down in cartloads two or three times a week. Whatever was required was sent. I once interviewed the Minister with the object of inducing him to make a special allowance to the hospital for these medicines, but nothing was done. I do not know why £200 is set down in the Estimates for medicine, unless the system has been altered. The Perth Hospital supplied very much more than £200 worth of medicine every year.

The Premier: There are other homes in the State which are supplied with medicines that do not come from any hospital.

Mr. Sampson: Has any progress been made with regard to deep therapy and X-ray treatment?

Hon. S. W. MUNSIE: In the case of a person requiring deep therapy treatment the resident medical officer of the Perth Public Hospital and the doctor outside confer. If they recommend that the patient should be treated in this way, the department has this done and pays for it. A contract was made with Dr. Syme Johnson and Dr. Donald Smith, the only two medical men in Perth possessing deep therapy apparatus. The contract provides for the treatment of all such cases. A fair number have been treated, and I was anxious to obtain particulars of the results. I am glad to say that some of the cases have resulted satisfactorily up to date. In cases treated over two years ago there was, up to a recent date when inquiry was made, no recurrence of the growth. In other cases, which were treated just for the time being, there was regrowth, and the patients have passed away.

Mr. Sampson: I believe a certain percentage of cures has been recorded in Melbourne.

Hon. S. W. MUNSIE: Not very many, I am sorry to say.

Hon. G. Taylor: The treatment has not proved a success.

Hon. S. W. MUNSIE: There have been some cures, however. In cases where the patient is unable to pay but is recommended as I have stated, the department find the necessary funds for treatment.

Vote put and passed.

Progress reported.

House adjourned at 11.13 p.m.

Legislative Council,

Wednesday, 10th November, 1926.

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

QUESTION—CITIZENS' MEMORIAL.

Hon. J. M. MACFARLANE asked the Chief Secretary: Seeing that a citizens' memorial, annexures, etc., sworn before, and approved by, the Federal Royal Commission in Perth, 20th March, 1925, was signed by many thousands of representative bodies and electors, and placed before that Commission facts which have been, and will be, beneficial to Western Australia; and since the memorial has been further supported recently by the resolutions of many municipal councils, road boards, and other bodies, will the Minister place copies of the memorial and resolutions on the Table of this House for the further information of this House, and of others in Western Australia and elsewhere?

The CHIEF SECRETARY replied: As these have been public property for so long, it is unnecessary to follow this course.

BILL—STATE INSURANCE.

Second Reading.

Debate resumed from the previous day.

HON. J. EWING (South-West) [4.35] I have listened with great attention and an open mind to all that has been said by hon. members during the course of the debate on this Bill. I have given that attention to those who spoke for, as well as to those who spoke against, the legislation. I have arrived at a conclusion that is satisfactory to my own mind, but whether it will be satisfactory to that of others, is another question. The tone of the debate has been a high one, reflecting the greatest credit upon hon. members who have approached the question with an open mind and with a desire to do what is right in the interests of the State and of the miners suffering

from the terrible diseases concerning which we have heard so much. Hon. members who spoke from the standpoint of State trading, put up a good case and I will deal with that phase later on. Those who supported the Bill conveyed to me much knowledge regarding the question, and Mr. Cornell, who is a supporter of State trading and, consequently, of the Bill, put up an excellent case. It must be apparent to hon. members and to the general public that the Bill before us is the most important we shall deal with this session. I regard it as such, and have studied it from that point of view. I hope the conclusion I have arrived at regarding it is the proper one. Those who have already spoken have discussed the Bill in all its phases and I hope that before the Chief Secretary replies, every member will have contributed to the debate. Naturally, the whole question revolves around the mining industry. We know what that industry has done for Western Australia, and we all appreciate its importance during the early history of the State. The value of the industry has been emphasised and, while I realise what it has meant to the State, I also appreciate the fact that it has taken its toll of victims. During the last 30 years the industry has produced gold valued at £156,000,000 and £28,500,000 has been distributed by way of dividends. Naturally, the magnitude of an industry such as the one under review must appeal to hon. members, and in its day of adversity all will be desirous of doing what is possible to re-establish its prosperity. I am fully cognisant of the position confronting the industry to-day and I believe much can be done to rehabilitate it. In common with Mr. Dodd, I believe there is a great future before the gold mining industry, for it is only a question of production. When speaking on the Bill, Mr. Dodd emphasised the position regarding the goldfields and predicted that if the industry were given a chance, it would go ahead by leaps and bounds. During the course of his speech he described the disabilities under which gold mining is suffering and told us of the effects of the tariff, of the exportation of gold, and of many other contributing factors that have led to the present decline of the industry. He also referred to the low grade ores. When that problem is solved, great prosperity must return to the industry. It is known to hon. members that in South Africa and in other countries, low grade ore propositions are being worked

successfully. In Western Australia we are told that our low grade propositions cannot be worked with advantage, otherwise the industry would be in an excellent condition to-day. It is a matter of common knowledge that there are many thousands of tons of low grade ore available, and if that ore could be worked commercially the effect upon the State would be most marked. I have referred to the toll of victims taken by the industry. It is regrettable that provision was not made for that contingency in the heyday of prosperity on the goldfields, when millions of pounds were passing through various hands and when the companies were making wonderful profits. No doubt the companies should have taken action in those days along the lines adopted by mine owners in South Africa to-day, so that provision for the compensation of the victims of the industry could have been made by the industry itself. Mr. Dodd mentioned that when he was a member of the Scaddan Ministry, the problem of miners' diseases was taken in hand. The war intervened and other things happened, preventing the efforts of that Government reaching fruition.

Hon. J. R. Brown: The war was on then.

Hon. J. EWING: At any rate, I believe a Bill was introduced but was rejected. It was a great pity, because if the Bill had been passed during a time when mining operations were on a satisfactory basis, that was the time, not now, when provision should have been made for the victims of the industry. Mr. Cornell, during his interesting speech, paid a tribute to a former Minister for Mines, Mr. J. Scaddan, and a former Prime Minister, Mr. W. M. Hughes. His natural modesty prevented him from saying anything about his own great work in that connection. He was appointed an honorary Royal Commissioner to investigate this question when he visited South Africa. His report is an excellent one and well worth reading. It has proved to be an education for hon. members who have perused it. It brought to the notice of the then Government, in which Mr. Scaddan was Minister for Mines, the necessity for making some provision regarding the miners who would be adversely affected in health by their work underground. Mr. Scaddan introduced legislation that was the direct outcome of Mr. Cornell's visit to South Africa. This State owes a great deal to Mr. Cornell for the excellent work he did regarding miners' phthisis. In the course of his remarks Mr.

Cornell pointed out to us that there are certain mines in South Africa in which dust, which creates the miners' diseases, is prevalent. He pointed out that the disease fell into three stages: the ante-primary, the primary and the secondary. He explained the whole position and pointed out how the mine owners of South Africa had made provision for compensating the miners employed in their mines. Thus the mine owners there, and not the people, pay the whole compensation to miners who have become infected. It is not possible in Western Australia for a similar position to be created because, it has been stated emphatically, the mines cannot face such an obligation. In that case someone has to assume the responsibility. Thus, we are not in such a fortunate position as South Africa, but if the developments indicated by Mr. Dodd occur rapidly, then the mine owners, confronted with a vastly improved outlook for the industry, will be able to do something in the direction of providing for the victims of the industry. The Miners' Phthisis Act was introduced by and passed during the regime of the Mitchell Government in 1922, but for various reasons that have been explained, it was not possible to proclaim the Act at that time.

Hon. J. Cornell: The reason was that the laboratory had not been provided.

Hon. J. EWING: The Act was proclaimed last year. The Federal Government had then made preparations in the shape of a laboratory and were ready to undertake the examination of all the miners. Mr. Cornell informed us that 4,017 miners had been examined. From the Mines Department report of 1925 I find that there are engaged in the gold-mining industry 2,329 men above ground and 2,541 underground, a total of 4,870. With the exception of 800 men, all have been examined. That shows that there is a limit to the responsibility for the men suffering from miners' diseases, because almost all the men engaged in gold mining have been examined. The examination disclosed that there are 140 tubercular cases. I believe that those men are entitled, under the provision of the Workers' Compensation Act, to 25s. per day.

Hon. J. Cornell; No, they are entitled to half wages.

Hon. J. EWING: I am given to understand that that is about the figure. The position is a peculiar one because some-

thing might happen that would lead to them losing what they are receiving to-day. The responsibility rests entirely with the Government, who are paying the men the best possible wages and maintaining them in comfort.

Hon. E. H. Harris: But the men have no guarantee of the continuity of that payment.

Hon. J. EWING: That is quite right. The question for us to consider is that of the continuity of compensation to the affected men. If the Bill is not passed the continuity of payment will be broken, and that will place a great responsibility upon members of this House. The 600 miners who are in the first and second stages of the disease represent a retrospective liability on the people of this State, and it is the task of providing for those men that presents such difficulty. The Workers' Compensation Act makes compulsory the insurance of all workers including miners. Therefore it is for us to see that the miners are thoroughly protected. The Third Schedule of the Act was proclaimed in June, 1926. The Government have taken the matter in hand and are caring for the tubercular miners. Later on the men in the first and second stages of the disease will be cared for similarly, unless provision is made for their insurance. As Dr. Saw pointed out, however, the liability exists. Any man might go out of the mines to-day and report to the doctor, who might state that he is unfit to continue work underground. Although he may be in the second stage only, such a man would have to be provided for and paid compensation as provided in the Act. Although the total liability is not so great as some members would have us believe, it is a considerable one for the State. Some people have stated that it represents £500,000. That amount may not be due to-day or even to-morrow, but it may become due within 12 months, and such a liability would be a serious one for any insurance company to cover. It creates a serious position for the Government. The affected men might go out of the mines and enter some other vocation, accepting the £750, £500 or £300 compensation for the injury they have received in the industry. The liability is one that must be faced.

Hon. G. W. Miles: What rate are the Government charging the mine owners?

Hon. J. EWING: I have heard it said that the rate is £4 10s. per cent.

Hon. H. Seddon: That is under the Third Schedule: it is 17 per cent. over all.

Hon. J. EWING: Mr. Nicholson, when speaking the other night, stated that the Government had been precipitate in passing the Workers' Compensation Act.

Hon. J. Nicholson: No; I said they had been precipitate in proclaiming it.

Hon. J. EWING: That is what I meant to say. I should like to remind members of what took place when the Workers' Compensation Bill was passing through this House. A hard fight took place on that occasion. Mr. Holmes and many other members, including myself, did not fight against the Third Schedule; our opposition was based on the contention that the position had not been clearly defined by the Government. Two or three divisions were taken, and on two occasions the Third Schedule was deleted from the Bill and reinserted.

Hon. J. Cornell: Thanks to Mr. Miles.

Hon. J. EWING: Perhaps the hon. member is right. The danger that confronted the Government was clearly pointed out and members took the responsibility of passing the Bill with the Third Schedule in it. In the light of that responsibility members now have to cast their votes on this measure. Several of us argued most strenuously that there should be no misunderstanding as to what would be done with the tubercular miners, and we also urged for a clear statement as to how the Miners' Phthisis Act would work in conjunction with the Workers' Compensation Act. Events have proved that we were right. Although the matter was given much consideration at the time, it certainly was not clarified as it should have been. If we had been successful in securing the deletion of the Third Schedule, it would then have been for the Government to make the necessary investigations to find the best way out of the difficulty. On account of the Third Schedule having been included in the Act, we are now faced with a most difficult situation. There has been great controversy between the insurance companies and the Minister for Works. I do not wish to traverse the arguments raised on either side. The insurance companies of this State have a splendid reputation; I doubt whether anyone could say a word against them. In accordance with the Insurance Companies Act they have

each lodged with the Government a deposit of £5,000 as a guarantee of their bona fides. Consequently we should be extremely careful that we do not interfere unnecessarily with their operations. The State Insurance Office has been described as another State trading concern, but in my opinion it is not a trading concern. When the insurance companies were conferring with the Minister for Works, they complained that they had not been supplied with sufficient data. I believe that was true up to a certain point. Later on when the data was made available to them and before this Bill was introduced, they had an opportunity to quote a rate under the Third Schedule. However they did not quote, and I in common with Dr. Saw, regret their action. Whatever rate they cared to quote would have constituted a guide. If they found that they could not quote a reasonable rate, they would have been justified in declining the business. The miners have to be insured and someone has to insure them. My attitude to the Bill has been determined by the fact that no quotation has been forthcoming from the insurance companies to cover the miners. Perhaps it was impossible for the companies to quote for the business. If the retrospective liability is likely to be £400,000 or £500,000, I do not see how the companies could have quoted any figure or could have undertaken that class of insurance. The risk is certainly a big one. The Premier, in introducing the Bill in another place, said it was not the wish of the Government to undertake State insurance. It is a peculiar fact, however, that when the Bill was introduced in another place, it contained a monopoly clause. That did not quite square with the statement of the Premier. Fortunately, for the Government, that clause has been deleted and the position has been greatly improved. The Government now desire to undertake the insurance of industrial diseases and compete with the insurance companies for ordinary workers' compensation insurance. Some members might argue that the Government will exceed those limits and that, if they are given enough rope, they will probably hang themselves. I consider that the Government were thoroughly in earnest in desiring to provide for the miners, and for that reason they started the State Insurance Office. Their position is certainly more tenable to-day than it was when the Bill was first introduced. Had the measure still contained the mon-

opoly clause, I do not think it would have received favourable consideration in this House.

Hon. G. W. Miles: They have toned it down by eliminating that clause simply to catch you and a few other members.

Hon. J. EWING: I am speaking from conviction. I consider that the Government are doing the right thing.

Hon. J. R. Brown: It is a pity that all other members do not do the same thing.

Hon. H. Stewart: That is what you always do.

Hon. J. EWING: Yes. At any rate I am consistent in this matter.

Hon. J. Cornell: If Mr. Miles is consistent he, too, will vote for the Bill.

Hon. J. EWING: I am not at all concerned as to what the Government are likely to do. If the Bill is passed they will doubtless do what they consider is right. They will have to answer to the electors fairly soon. As Mr. Cornell pointed out last night, if the Bill is not passed and the Labour Party are again returned to office next year, they will be justified in carrying on State insurance. In other cases there is an alternative and those who will be returned might be as sincere as the Government in respect of looking after miners' diseases and finding another way of dealing with the question.

Hon. H. Stewart: I do not think so; they would still keep it going.

Hon. J. EWING: The opposition to the Bill is practically on the ground that it is State trading. We know there is an Act in existence which forbids State trading unless the approval of both Houses of Parliament has been obtained. I am not here to condone the Government. They have broken the law, but they have done so because I honestly and truly think they were compelled to do it. We know that sometimes the law is honoured more in the breach than in the observance, and this measure is one of those cases. It is not my intention to protect the Government because I consider such action is improper. At the same time the Government saw the difficulties that were confronting them, but it would have been far better if they had met Parliament when hon. members in another place might have been able to find a way out of the difficulty. That is my clear opinion. For all that, one is not justified in voting against the second reading of the Bill on this occasion. If we vote against the second reading we shall create chaos and

trouble in the gold mining industry, and as representative people we are not justified in doing that.

Hon. J. E. Dodd: We have passed validating Bills already this session for acts illegally performed.

Hon. J. EWING: Exactly, though those acts, illegally performed, were not of very great importance.

Hon. J. Cornell: The principle is the same.

Hon. J. EWING: Yes, but it is not a right principle and I do not agree with it. Section 7 of the Workers' Compensation Act makes it obligatory on all workers to insure. That Act and the Miners' Phthisis Act are in operation to-day as well as the third schedule. Therefore if the insurance companies are not satisfied and cannot give a quote that is reasonable and fair in order to protect the miners, something else must take its place. I have no desire to do anything that will injure the insurance companies or hamper their operations. Members who have spoken in opposition to the Bill, Sir William Lathlain, Messrs. Stephenson, Nicholson and others, have taken the stand that this is nothing less than a State trading concern. I listened intently to their speeches and found them interesting. Speaking for myself, I am in the same position now that I have occupied throughout my public life; I am entirely opposed to State trading. Hon. members know that. I have opposed everything that I thought was intended to compete against private enterprise and was likely to do it an injury as well as an injury to the workers of the State. I have been consistent in that direction.

Hon. H. Stewart: What was that other State trading concern that you condoned?

Hon. J. EWING: I suggest that the hon. member look it up; I do not know of it.

Hon. H. Stewart: I think it was the meat works.

Hon. J. EWING: No; I have never condoned a State trading concern.

Hon. G. W. Miles: The Government have extended them.

Hon. J. EWING: Mr. Cornell made the position clear, but I cannot connect this Bill with State trading at all. The object of the Bill is not to make profits. It is only a humanitarian measure, the object of which is to do something that will relieve miners afflicted with disease. As I have said, I have no wish to interfere

with the companies, but I do desire that a position shall be arrived at by which the miners who are suffering from disease shall be assisted in one form or another so that it may eventually be possible to get the mines cleaned up.

Hon. J. Nicholson: You cannot say that I used the words "State trading" in connection with the Bill.

Hon. J. Cornell: No, the hon. member is a lawyer.

Hon. J. EWING: He is very clever, we know. If he does not desire to say a thing specifically, he will wrap it up in carefully chosen language. At any rate I do not agree that this is State trading at all. It is not in the same street as an ordinary trading concern. It has been suggested in this House that if the Bill passes the second reading its operation should be confined to the third schedule of the Workers' Compensation Act. I would not like that at all. If we do that we will throw the responsibility on the whole of the people for all time. We must do something that will build up the industry so that when it becomes more prosperous than it is to-day, those who are connected with it will pay their share of the burdens towards the maintenance of those who have been wrecked in it. If that were done there would be no competition so far as the companies were concerned, because the business that they did not want would be eliminated and they would not be interfered with in the least. I have listened to what has been said with regard to legislation existing in other parts of the world as applied to these particular diseases, having proved a failure. It has not been clearly elucidated as to what has taken place in Tasmania and Victoria, and we have been told what the position is in Queensland and what has been made out of insurance there. It is not the desire in this State to make anything out of this form of insurance; the main object is to protect the miners and see that compensation is provided for them.

Hon. V. Hamersley: You do not care which class of the community carries the load.

Hon. J. EWING: The hon. member misunderstands me. We have to guard against harm that is being done to the State. I am trying to see a way out of the difficulty, and those hon. members who do not agree with what I have said can vote

against the second reading. I cannot find it in my heart to vote against the second reading.

Hon. A. Burvill: It has been said that this Bill is a State necessity.

Hon. J. EWING: Something has to be done to protect the miners and this is the only way out of the difficulty at the present time.

Hon. J. Cornell: That is the whole situation.

Hon. J. EWING: It has been suggested that the third schedule should be eliminated from the Workers' Compensation Act and a comprehensive measure brought in this session. Every member in this House and in another place is eager to get something done. If this House votes against the second reading of the Bill and turns it down it will bring chaos on the State and cause a lot of suffering to the miners. It is not possible for the Government in the time at their disposal to bring in anything like a comprehensive measure. No one knows that better than does Mr. Cornell. It is well known that if the men are not insured according to Section 10 of the Workers' Compensation Act the industry is liable to a heavy penalty. The men must be insured, we must find the means to do it, and it will have to be done this session. There is also another position about which I can speak familiarly because I have experienced it. When the Government proclaimed the Third Schedule of the Workers' Compensation Act, the insurance companies cut off all insurances. I know that to be a fact because they did it to me. I suppose it was a matter of business, and that they had to do it, but I know perfectly well that hundreds of insurances were affected. For a period of six or seven days I was without insurances, and in that period was rendered liable to a penalty of £3,000 or £4,000. That was not a proper thing to do, but I do not take any exception to it save that the action was precipitate, just as the Government perhaps acted precipitately with the insurance companies. I have no fault to find with the action of the insurance companies: I suppose they found that the liability was greater than they could bear.

Hon. H. Stewart: Every employer of labour was menaced in just the same way as you were, and they did not all get excited about it.

Hon. J. EWING: I do not suppose they did. It was a bad business move. Still, they were entitled to do it.

Hon. J. Nicholson: Should not the Minister have furnished the companies with all the information he had?

Hon. J. EWING: As inquiry went on, the Minister supplied the information as far as he could. He made a mistake in saying that he could not give them the fullest information as to the numbers affected. Unfortunately he read the Act wrongly. However, the numbers have been published for the last six weeks or more, notwithstanding which the insurance companies have not quoted for this business. All the information was available.

Hon. J. Nicholson: But available too late.

Hon. J. EWING: No, the hon. member is wrong. If any company wanted to quote, the information was there. But the companies cannot quote to-day. That is why I am taking up my position. If the companies could quote a reasonable rate, it would be very different. Are the companies prepared to submit to the Minister satisfactory arrangements for this business? All members know they are not.

Hon. H. Stewart: How can we know that? It is only what you say.

Hon. J. EWING: Well, I am pitting my judgment against yours. I do not think the companies are prepared to do the work.

Hon. G. W. Miles: Not when the mines are cleaned up?

Hon. J. EWING: When the mines are cleaned up a reasonable rate of insurance will be fixed.

Hon. J. Cornell: Who is going to look after the baby until it can walk?

Hon. J. EWING: That is the crux of the position. I want the Bill to go through in order to validate the insurances undertaken up to the present.

Hon. G. W. Miles: The Government will carry on the business, whether the Bill passes or not.

Hon. J. EWING: How can the hon. member say that? The Bill has been brought in to protect the miners. Mr. Dodd laid stress on the point I have been trying to impress on members during the debate, namely, that when the Bill is passed we should have a board of inquiry to go

thoroughly into this question. We have men who know something of insurance, and men, like Mr. Cornell, who know all about the conditions of the mines. In order to secure this I will, when in Committee, move an amendment limiting the operation of the Bill to one year. During that year much water will flow under the bridge, and I hope the Government will give thorough consideration to the question and see whether what is being done in South Africa cannot be done here, the mines cleaned and kept clean, and every precaution taken against the recurrence of the present conditions. I do not know whether my proposed amendment will appeal to the Minister. However, I want to assist him, and I hope that, at the end of the twelve months, the Government will be able to place before us a proper scheme for the preservation of the mines and of the miners. Those who have a knowledge of the industry, such as Mr. Seddon, Mr. Harris, Mr. Cornell and Mr. Dodd, are fully seized of the seriousness of the position, and I am sure they will do all they can to aid the object I have in view. There are in the Workers' Compensation Act many anomalies. As pointed out to me last evening, the men in the Horseshoe Mine who lost their positions only one day before the Act was proclaimed, are on the streets to-day and have no right to compensation under the Act. It is a serious anomaly that must be rectified, and I suppose it is only one of many. So I desire that the fullest consideration shall be given to this question by inquiring into what is being done in other parts of the world and seeing to it that disease in our mines is kept down to the minimum. This will be doing something in the interests of the industry and of the State. At present the whole of the tubercular men are a charge on the Government, who have to take that responsibility until they bring in a Bill, possibly to consolidate the Miners' Phthisis Act. Then I hope we shall be able to put some measure of responsibility on those running the gold-mining industry. I have endeavoured to analyse the position and to show what I think should be done in the best interests of the miners and of the State. Many, taking exception to what I have said, will declare that I am doing an injury to some section of the community. However, I will accept that responsibility, knowing that what I am doing, I am doing from honest conviction.

HON. J. R. BROWN (North-East) [5.25]: I will support the second reading. From the speeches made I conclude that certain members have determined to vote against the Bill, without any discussion or consideration of its merits. They have made up their minds that State insurance is a trading concern that will involve the State in huge losses. It is not a trading concern at all. Mr. Scaddan, when Minister for Mines, would never have brought down the Bill for the Miners' Phthisis Act of 1922 save at the point of the pistol. That was supplied at the Kalgoorlie Trades Hall. We said we had to get State insurance, to relieve the Mine Workers' Relief Fund. Mr. Scaddan said it was a matter for the Commonwealth. However, we could not wait for the Commonwealth to take action, and so we persuaded Mr. Scaddan to bring down the Bill. He brought in what was merely a skeleton measure. We told him it had neither muscle nor sinew, but he said the bone was there and that if he were to put muscle or sinew into it, the Chamber of Mines would not agree to it. Mr. Ewing has been speaking in favour of the Bill, but dealing largely with the Miners' Phthisis Act passed last session. We have the Act, and now we want the administration of that Act. The insurance companies could not come up to scratch. The Government could not dodge their responsibilities, but had to keep faith with the Act. We have heard it declared that Parliament ought to have been called together to authorise State insurance. Had that been done, there would have been a squeal from the Opposition in this House, and members would have protested against being dragged away from urgent private business. Even to-day members are absent on urgent private business. Some of them are sick and some are tired, whilst others are away on urgent private business.

Hon. E. H. Harris: Very few are absent just now.

Hon. J. R. BROWN: Just the same, they could be here. Mr. Nicholson declared he was all sympathy with the miners.

Hon. J. Nicholson: So I am.

Hon. J. R. BROWN: Yes, but you lead us to a dead-end, and leave us there.

The PRESIDENT: The hon. member must address the Chair, not another member.

Hon. J. R. BROWN: I am speaking to another member who declared he was in sympathy with the miners.

The PRESIDENT: The hon. member must address other members through the Chair, and in the third person.

Hon. J. R. BROWN: Very well, Sir. Mr. Nicholson gives with one hand and takes away with the other. He cuts the ground from under our feet. He is in sympathy with the miner, yet he cuts the ground away, and nothing can be done. The question of State insurance was thrashed out in the corridors long before the Bill came into this Chamber. This is called a house of review. Members, however, make up their minds before hand. They do not deal with a Bill on the evidence appertaining to it. In his speech Mr. Ewing has appealed for the passing of this Bill. He refers to it as a philanthropic measure, as a humanitarian one. This is not a State trading concern. The Bill is on all fours with the hospital legislation. There is no difference between the two. If a man is taken sick or meets with an accident he is taken to the hospital. If a man contracts miners' phthisis he becomes a cot case. This Bill is not designed for profit-making. Certainly the insurance companies do not want to accept any loss that may be incurred in the business. They do not want the work because of the experience of the State insurance office in Queensland, where loss has been incurred on the miners' phthisis account. On our statute-book we have the Workers' Compensation Act and the Miners' Phthisis Act. If these two be operated together, the business will be profitable. I have here the ninth annual report of the State Government's insurance office of Queensland. The profit and loss accounts and general balance sheet show the results of the financial transactions for the office. It is felt that satisfactory service has been given by the office in all departments. The report says—

It will be noted that the accounts for those classes of business with which we are in competition with outside offices, particularly fire and life business, again show good business results, the former a record profit of £27,936, and the latter a record increase of funds of £189,496. Other competitive departments, and workers' compensation profit and loss accounts also show record profits, as also does the internal reinsurance account. Section 14b (miners' phthisis, etc.) account, as was expected, shows a loss.

The profit and loss account of the workers' compensation department in Queensland shows a balance carried down, which is a credit, of £68,602 4s. 8d. Out of this a subsidy of £10,000 was set aside for miners'

phthisis cases. The miners' phthisis profit and loss account shows a deficiency of £20,030 7s. 11d. If we take the two credits together we find there is a profit of over £30,000. The profit and loss account of the miscellaneous accident department shows a balance of £4,844 11s. 6d. The marine department shows a credit of £3,612 2s. 8d. The general balance sheet shows the profit and loss account to be as follows:—Workers' compensation, £58,602 4s. 8d.; fire, £33,202 12s. 5d.; miscellaneous accident, £4,844 11s. 6d.; and marine, £3,612 2s. 8d.; a total of £100,261 11s. 3d.; from which is deducted £20,030 7s. 11d. on account of Section 14b (miners' phthisis), leaving a balance of £80,231 3s. 4d. It is said that the Queensland insurance scheme is a failure. It has been in operation for nine years.

Hon. G. W. Miles: You do not want to start fire and life insurance here.

Hon. J. R. BROWN: The hon. member has nothing to burn. If he had anything to burn he would be on it. If the Queensland office can show a profit, we, too, can show a profit. I once heard Sir William Lathlain say that he had had a disastrous fire, and that the insurance companies had paid out £60,000 odd in two or three days. He must have been on a good wicket. I hope members will accept this Bill seriously, and will not treat it as a trading concern. People call this a house of review. It is the most hypocritical farce that was ever put before honest men.

The PRESIDENT: Order! The hon. member must not make any offensive remarks about this House. His remarks are highly offensive.

Hon. J. R. BROWN: I always thought that the truth was not offensive.

The PRESIDENT: Order! Sit down! The hon. member must withdraw that remark.

Hon. J. R. BROWN: I will withdraw it. I must endeavor to express what is in my mind.

The PRESIDENT: The hon. member must express himself within the Standing Orders. He may proceed with his speech.

Hon. J. R. BROWN: When I get near the end of a speech I generally get wound up. I shall have to be a little more moderate. This is one of the most humanitarian Bills that has ever come before us. If it is turned down the Government will find themselves in an invidious position. When the Miners' Phthisis Act was passed the Government

were faced with certain liabilities. If this Bill is rejected to-night, what will be the position of the Government to-morrow? They will still be liable unless we repeal the Miners' Phthisis Act. That Act has been placed on the statute-book. The insurance companies were not prepared to quote for this business. If we have to go to them cap in hand, what sort of premiums will they put upon the business? They will have us by the wool. If we say to them, "We cannot do this business, because the Bill has been turned down by the Legislative Council; so we have to ask you to do it," we shall have to accept whatever premiums they like to impose. I appeal to the House to give this Bill a trial for at least three years. Let members not class it as a trading concern. We do not want to make a profit, but if a profit is made no one will raise any objection. Let us look fairly and squarely at this matter, and take a broad view of it. We should not take a narrow and parochial view of it. Let us pass the second reading, place the Bill on the statute-book, and see if we cannot do some good with it.

Hon. J. Nicholson: If a loss is made, what will you do?

Hon. J. R. BROWN: Grin and bear it, as the hon. member would have to do if his fees were not paid to him. I have pleasure in supporting the second reading of the Bill.

HON. V. HAMERSLEY (East) [5.40]: The question is whether or not we are going to thrust upon the State another trading concern. Some years ago this Chamber was instrumental in passing the State Trading Concerns Act, which definitely stated that no more trading concerns could be embarked upon by the Government without reference to Parliament. Mr. Seddon the other evening put the matter well when he said, in regard to this Bill, that the Government have practically ignored their own legislation. If we are the first to break the laws of the country, we cannot object to other people doing the same thing. For that reason alone we should be careful about passing this Bill. I take such a serious view of the matter that it is my intention to vote against the second reading. I have opposed everything in the nature of State trading, because I do not regard that as a function of Government. Even the Premier has said that the State embarks upon too many of these undertakings, that the State would be better governed if it attended only to the functions of government, and did not enter upon

so many of these undertakings that are much better attended to on behalf of the community by other people, in competition one with the other. By wholesome competition we shall have a healthier condition of affairs running throughout the community, and the Government will be there to see fair play as between one side and the other. It is claimed that the Government embarked upon the insurance business, because the companies did not care to take the risk entailed in the Third Schedule of the Workers' Compensation Act. That Act tremendously increased the compensation payable. We knew full well what this increased liability was likely to entail upon the companies. When the Minister for Labour withheld the information that was required by the companies before they could arrive at any correct estimate of the position, and the companies fixed a rate with which he disagreed, he took the opportunity of starting this trading concern. He claimed that the companies were likely to make great profits, owing to the rates they proposed to charge, and took the view that if this were so it would be just as well for the Government to make those profits.

Hon. A. J. H. Saw: When was the rate quoted?

Hon. V. HAMERSLEY: When that amendment of the Workers' Compensation Act which increased the liabilities of employers was passed, the companies put their rates before Mr. McCallum. He considered those rates altogether too high, and insisted that the figures which he quoted were right.

Hon. H. A. Stephenson: The companies accepted his rate.

Hon. V. HAMERSLEY: They accepted his rate for 12 months on the understanding that it would then be reviewed by the Minister. Instead of reviewing the rate, Mr. McCallum started State insurance. In my opinion the request which the companies made to the Government offered a happy way out of the difficulty and a satisfactory solution of the problem. That solution is available to the Government and the country to-day. The companies ask for a guarantee, or, in other words, a subsidy, from the Government to cover the additional risks from miners' phthisis and tuberculosis. If their request had been granted, the liability would have fallen upon the whole community, and not upon one section only. That was what I meant by the interjection I made when Mr.

Ewing was speaking. Throughout the community, employers of labour will be charged certain rates, either by the new State trading concern or by the insurance companies, to cover the added risk due to miners' phthisis and to the extra cost thrown upon the mining companies by the amendment of the Workers' Compensation Act.

Hon. J. Cornell: Are the mining companies paying more to-day?

Hon. V. HAMERSLEY: Yes.

Hon. J. Cornell: To whom?

Hon. V. HAMERSLEY: To the insurance companies by way of increased rates.

Hon. J. Cornell: Then the companies are not carrying the added risk.

Hon. V. HAMERSLEY: The insurance companies have had to increase their rates to correspond with the greater risks to be covered. I am an employer of labour, and my rates have been increased. But if I, as an employer of labour, must have my rates still further increased because of the extra liability—

Hon. A. J. H. Saw: Are they going to put you up any more?

Hon. V. HAMERSLEY: I do not quite follow the interjection. The solution of the difficulty is to let the whole community bear the loss. Why should the companies bear it? They cannot bear it. It will simply be put upon one section of the community, whose insurance rates will be increased. No one wishes to do the miners any wrong. We all recognise that they have rendered good service to the country in extracting enormous quantities of gold from the earth. No one wishes to deny the miners whatever may be a fair thing. That has been recognised by the passing of the Miners' Phthisis Act. Now we have to arrive at a method of determining the compensation due to the miners. The country recognises that it must stand up to its obligations, but the passing of this Bill will not mean that the country is standing up to its obligations at all. The measure merely proposes a new State trading concern, and the rates charged will be increased to cover the extra cost.

Hon. A. J. H. Saw: The employers will still be able to go on insuring with the companies, except as regards mining risks.

Hon. V. HAMERSLEY: Yes, those employers who have the opportunity of deciding with whom they will insure.

Hon. J. Cornell: The hon. member is giving the companies a very bad advertisement.

Hon. V. HAMERSLEY: Not at all. The insurance companies will have the business which will go their way. Employers who are in an independent position and therefore able to decide with whom they will insure, are likely to go to the companies. A great many employers, however, will not have the opportunity of deciding, because the Government have a little monopoly stick of control. It is claimed that the monopolistic clauses have been removed from the Bill, but one can read between the lines. In spite of the removal of the monopolistic clauses from the Bill as it appears here, coercion can still be exercised. The Leader of the House has given us to understand that the Government are not now covering fire and hail risks, but information has come my way that instructions have been issued for the insurance of road workers. That is in accordance with a report published in the "West Australian" of the 22nd October. In reply to a question asked in the Legislative Assembly, Mr. McCallum stated that "a condition in all contracts between the Main Roads Board and district road boards in connection with grants under the Federal-State aid scheme was that all men employed must be insured by the local governing body with the State Insurance Office." Is not that monopoly? A large number of men are being employed by the Government with money extracted through taxation. If that arrangement is not a monopoly, I do not know what a monopoly is.

Hon. J. Cornell: That has been going on for donkey's years.

Hon. V. HAMERSLEY: Nevertheless, the arrangement is wrong. Those of us who are independent and can insure with the companies will probably choose to do so, but a large section of the community will not, if this Bill passes, have the right of deciding with whom they will insure. They will be compelled to insure with the State. To fire and hail insurance the same remarks apply.

Hon. J. Cornell: But this Bill will not apply to fire and hail insurance. There is nothing about those things in the Bill at all.

Hon. V. HAMERSLEY: The State Insurance Office has been established illegally and we are now asked to give it the stamp of legality. I presume that as the Government have also been covering fire and hail risks, it only needs an amendment of this Bill next session to let those things go on as they have been going on. I now wish to quote a

letter addressed on the 13th August by the assistant general manager of the Agricultural Bank and Industries Department to the secretary of the Fire and Accident Underwriters' Association—

Re assisted settlers' insurance, 1926-27 season. In reply to your letter of the 14th ultimo, the board has now completed arrangements with the State Insurance Office for insurance, fire and hail, of crops of assisted settlers for the ensuing season. The premium rates will be the same as those charged by the companies last season. In the event of any assisted settler desiring to obtain hail insurance, which is not compulsory, with another office, he will be at liberty to do so, but in that event the board will not make an advance to him to pay the premium, nor will it accept any responsibility in regard to its payment at any subsequent date. In pursuance of its statutory powers, the board will require all crops to be insured against fire with the State Office.

Hon. A. J. H. Saw: That has nothing to do with the Bill before the House.

Hon. G. W. Miles: The Government will do fire and life insurance and every other kind of insurance if they are allowed.

Hon. A. J. H. Saw: This Bill refers to workers' compensation insurance.

Hon. G. W. Miles: We shall be asked to ratify fire and life and every other kind of insurance.

Hon. V. HAMERSLEY: As the State Insurance Office has been started illegally, it can matter little to the Government whether we pass the Bill or reject it. Certainly we shall be countenancing further departures from the law if we authorise the Government to continue this kind of State trading. We must proceed very carefully in regard to passing the second reading of the Bill. If a cutting of rates starts between the companies and the Government, every employer will naturally wish to patronise the office quoting the lowest rate. Presumably the Government, being in the position of not having to care what losses were made, would be able to quote rates considerably below those of the companies. We are told that under this Bill there is to be no monopoly.

Hon. H. Stewart: But the Bill does not state that there shall not be an honourable understanding.

Hon. V. HAMERSLEY: I wish to point out that the measure contains no provision exempting members of Parliament from a certain liability under the Constitution.

Hon. E. H. Harris: Do you mean that we are workers within the meaning of the Workers' Compensation Act?

Hon. V. HAMERSLEY: I think that under the Constitution Act any of us who may enter into business relations with the State Accident Insurance Office will be liable to fines of £500 and forfeiture of our seats, because we would be entering into contracts with the Crown. I raise the point because in my opinion that would be the position of most members who employ labour and may wish to trade with the Government. If rates are cut and a lower rate is obtainable from the State, I would naturally like to cover my employees through the State Office. Consequently there would be no competition.

Hon. J. Cornell: Why not take a chance?

Hon. V. HAMERSLEY: I would not be inclined to do so unless a clause were inserted in the Bill exempting members of Parliament from the risk arising from such a serious position. It is one that is likely to be overlooked. There is the chance that with a fall in the rate and other advantages, an hon. member might seek to participate, only to find that he had incurred the loss of his seat and a heavy fine.

Hon. J. Cornell: The hon. member is not debarred from buying a load of jarrah from the State Sawmills!

Hon. V. HAMERSLEY: Is that provided for under the Constitution?

Hon. E. H. Harris: Some hon. members might be inclined to support the Bill if there were a provision enabling them to insure against re-election.

Hon. V. HAMERSLEY: I understand that in several countries schemes of this description have been tried. In New Zealand the Workers' Compensation Act included a provision covering miners' diseases, but the miners there refused to undergo the medical examination.

Hon. J. E. Dodd: Because there was no compensation provided.

Hon. V. HAMERSLEY: Of course, in the absence of proper data they probably required the men to undergo an inspection, but they would not do so.

Hon. J. E. Dodd: That is so.

Hon. V. HAMERSLEY: I presume it was intended that following upon the examination, some provision should be made for compensation. I understand that the clauses in the Bill regarding compensation were taken from the New Zealand Act. It is no good looking to New Zealand for a remedy because they were too wise there to

run the risk we are asked to undertake. It was evidently decided in the Dominion to deal with the miners under a different method. The same thing applies to Tasmania where legislation was passed in 1920, and miners' diseases were eliminated from the Workers' Compensation Act. It was found there that it was impossible to give effect to the legislation with those provisions included. That is why I have arrived at the conclusion that, by including the miners' diseases, we are up against the same trouble experienced elsewhere. The best solution is for the State itself to cover these men. In Queensland where, I believe, the Government have established a State insurance office, it was speedily found that the operations involved heavy losses, running into £100,000 in a few years. According to my information the rates there are much higher than those proposed in Western Australia. In view of the position there, it has been found necessary to make up for the losses on the insurance of miners, through the ordinary trade risks of the department in other avenues of employment. Then again the losses experienced in Queensland were in respect of a smaller number of miners than are employed in Western Australia, while the rate of compensation payable on account of injuries or illness arising out of the industry is much lower in Queensland than obtains in this State. Irrespective of whether the State embarks upon this business or whether the private insurance companies undertake the risks that are so much greater here than in Queensland, it stands to reason that those concerned will lose much more heavily than the Queensland Government.

Hon. J. Ewing: Then who will undertake the insurance of the miners?

Hon. V. HAMERSLEY: I have already said that the whole of the people, through the Government, should carry those risks.

Hon. E. H. Gray: And the mining companies should get off scot-free!

Hon. V. HAMERSLEY: It is not a question of the mining companies getting off scot-free, but because of the accumulated risks over a period of years that the insurance companies adopted the attitude they took up when the Minister for Labour asked them to accept the heavy risks in that particular class of insurance. In view of the peculiar position, the companies should be subsidised to the extent of whatever loss

was made in consequence of their acceptance of these risks. The whole community should shoulder the responsibility and not one class only, and that the employing class. I consider it would be far better for the State to subsidise the companies and to leave the class of risk involved in the insurance of miners right out of the ordinary class of business. That would enable the companies to know exactly where they stood. To cast the burden upon the employers of labour only would be grossly unjust. With the guarantee I suggest, there would be no necessity for a State insurance department. The same thing would apply regarding the cover for fire and hail. It is distinctly wrong to impose any such liability on the community, when we have so many companies paying direct taxation to the coffers of the State. The insurance companies comprise an important section of the community and have large sums of money invested in the State. The action of the Government in embarking in the business will act detrimentally to the State's interests by preventing companies in various branches of business from opening up undertakings in Western Australia. The State Implementation Works have prevented other similar undertakings being established by private enterprise in Western Australia. The same applies to the State Brickworks. Their establishment prevented private individuals from incurring heavy expense in providing additional up-to-date machinery. I am convinced that if brickmaking had been left to private enterprise, without any State interference at all, the cost of bricks would be half what it is to-day. The action of the Government in creating a monopoly in that industry has resulted in the people having to pay advanced prices for bricks. The participation of the State in the timber industry has prevented private enterprise from embarking more extensively in that avenue. It has also prevented the competition that is so necessary in building up a country and enabling the people to secure supplies at reasonable rates. Western Australia is crying for additional capital and the advent of augmented private enterprise. The business under discussion represents a small concern only, but the effect of such a move will not encourage people to engage in operations in this State. My whole endeavours will be devoted to defeating the second reading of the Bill.

HON. G. W. MILES (North) [6.13] : When the Workers' Compensation Act was passed last year, we made insurance compulsory. On that occasion I said that there appeared to be an unholy alliance between the Government and the insurance companies, seeing that the Government were creating business for the companies. I understood that the Minister gave an assurance that a reasonable rate would be fixed for workers' compensation business. Mr. Hamersley referred to the increased premiums that were necessary to cover the greater risks involved in the insurance of miners suffering from phthisis and other occupational diseases. I hold no brief for the insurance companies. I believe there should be some method of imposing a check upon the exorbitant rates charged by the companies not only for risks under the Workers' Compensation Act, but for other risks as well.

Hon. E. H. Harris: Do you want price fixing?

Hon. E. H. Gray: The State Insurance Department will provide the check.

Hon. G. W. MILES: The department will not do so with my assistance. In establishing the State Insurance Department, the Government have really set up a union in opposition to the existing companies. The Government have acted against their principles. In effect they have come out as strike breakers. The insurance companies stated their rates and said they would not quote for the business below those rates. Then the Government established the department, became strike breakers and blacklegged on the insurance companies. Dr. Saw interjected during the debate that this had nothing to do with fire, hail, or any other risks. The Bill will give this or any other Government the right to start along those lines.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. G. W. MILES: I was referring to the negotiations between the insurance companies and the Government, and I stated that I could not understand how the companies could have quoted a reasonable rate. I sympathise with the Government on the position in which they found themselves. A number of members have expressed views regarding the insurance companies, but with many of those views I cannot agree. The risk was not anything like what they stated it to be. I object

to the insurance companies being a combine; there is no competition between them. I consider that sooner or later the Government will have to bring in legislation to regulate the rates of insurance and banking also.

Hon. J. R. Brown: That would be a trading concern.

Hon. G. W. MILES: We have been told that the insurance companies have made a profit of only 7 per cent., and that that represents nothing more than fair interest on their business. Not one member has told us the amount of money placed in reserve. Naturally the insurance companies must have a certain amount in reserve to meet liabilities. In my opinion they are charging premium rates that are altogether too high, and unless they are prepared to modify their charges, I would be prepared to support a measure to regulate them. In the back country the companies charge 50s. to 90s. per cent. for fire risks. That is nothing less than daylight robbery, which is retarding the development of the country. The companies treat every client as if he was a rogue. They argue, "We have to take the risk. The town is going down, and someone might set alight to his premises." Thus the honest man has to pay high rates to cover the risks. If I had had a thousand pounds to start an insurance fund of my own, I would have had £25,000 in that fund to-day, which amount is more than I have made out of the whole of my business. It is all nonsense for members to say that the companies have made only 7 per cent.

Hon. H. A. Stephenson interjected.

Hon. G. W. MILES: They have made it out of their premiums, and out of their premiums they have created most of their reserves. There are between 40 and 50 companies doing business in Western Australia. That means 40 or 50 offices, and the capital they represent, together with the cost of separate staffs, and there is no competition whatever amongst them. Amongst life insurance companies there is competition, and often a proponent can receive better terms from one life office than from another. For fire insurance, however, there is only one rate, and that rate is a high one. If the companies are not prepared to revise their rate and give the public a fair deal, the Government will have to step in and fix by regulation the rate they may charge.

Hon. A. Burvill: You are putting up a good argument for State insurance.

Hon. G. W. MILES: I am putting up an argument against the insurance companies. I do not believe in State insurance, but I am not going to keep silent while the public are being bled, as they have been, by the insurance companies. Notwithstanding the difficult position in which the Government were placed, they had no right to embark upon the insurance business without having first obtained the sanction of Parliament. The Trading Concerns Act provides that no trading concern may be sold or started by the Government without the consent of both Houses of Parliament, and the Government should have refrained from entering upon this business. It is all very well for members to say that the business of the State Insurance Office will be confined to workers' compensation insurance. The letter quoted by Mr. Hamersley shows that the State department is catering for fire and storm risks on farms.

Hon. J. R. Brown: The Government will need a fresh Bill to enable them to do that.

Hon. G. W. MILES: They will not. If we allow this Bill to pass, it will be said that we have accepted the principle, and there will be nothing to prevent the Government's bringing down other schemes for life insurance etc.

Hon. J. R. Brown: If they did, you would have to pass them.

Hon. G. W. MILES: We would not. I congratulate Mr. Cornell upon his splendid speech on behalf of the miners and the Government. We know his views; he was quite consistent in the arguments he used. I can quite understand Mr. Ewing's claim to consistency. He was a member of a Government that continued and expanded the trading concerns, so he is quite consistent in voting for the establishment of another State trading concern.

Hon. J. R. Brown: Then who is the inconsistent member present to-night, you?

Hon. G. W. MILES: I have merely stated that both Mr. Cornell and Mr. Ewing were consistent. If we pass this Bill, it will be tantamount to giving the Government authority to continue.

Hon. J. R. Brown: Not at all.

Hon. G. W. MILES: The Government will claim that this House had already agreed to the principle of State insurance, and that they were justified in extending it. If another Government came into power, they, too, would extend the operations of State insurance, the same as the previous

Government extended other trading concerns.

Hon. H. Stewart: Certainly they did when the previous Minister for Education was in charge.

Hon. G. W. MILES: Every member agrees that the miners must be compensated. The Government could and should provide for their compensation. If the Government had said to the companies, "We are prepared to accept the risk up to the present. Will you quote for the business from now on?" I feel sure they would have quoted. I understand that the Government are charging a premium of £7 7s. to cover the whole of the risks. I do not know whether that is correct.

Hon. H. Stewart: It is substantially correct.

Hon. G. W. MILES: If it is correct, I maintain that the rate is not sufficiently high to cover the past risk. It may be all right for future business.

Hon. J. R. Brown: Queensland started with a premium of £2 2s.

Hon. H. Stewart: The estimated risk is about £20 10s.

Hon. G. W. MILES: The responsibility to provide compensation for the men taken out of the mines rests upon the Government. If the Bill is not passed, the Government will be called upon to provide the money, just as they will have to do if the Bill is passed. If the Bill is defeated, the Government can provide for the retrospective risk, and then ask the companies to quote for future business. If the companies then did not give a fair quote, it would be the duty of the Government to approach Parliament again.

Hon. J. R. Brown: That is what the Government are asking us to do now.

Hon. G. W. MILES: The Government are asking us to ratify an illegal act; the course I suggest would be the legal way to do it. Unless the insurance companies are prepared to treat the public fairly I would seriously consider voting for Government regulation of insurance rates, but I am not prepared to support this Bill as it stands. Mr. Cornell made a good point when he said that a profit should not be made out of the premiums for compensation insurance. He argued that such insurance was a tax on industry and the higher the rate of insurance, the higher the tax. All that is necessary is a sufficient rate to cover the risk. I believe the insurance companies are prepared to quote a rate.

Hon. H. A. Stephenson: They offered to do it.

Hon. G. W. MILES: If the Government assumed responsibility for the retrospective risk, I think the companies would quote a rate for the future. I take no notice of the statement that some members would be willing to let down the affected miners. The Government must shoulder the retrospective risk. If the House defeats the Bill, the Government will be able to ascertain whether the companies will listen to reason. If they are not prepared to do that, I would be prepared to support legislation to regulate the rates to be charged by the insurance companies.

Hon. J. R. Brown: But you could not do that.

Hon. A. Burvill: That would be price-fixing.

Hon. G. W. MILES: I do not know whether it would be or not. A combine exists among the insurance companies, and something must be done. If the companies would not listen to reason, action could be taken in a legal instead of an illegal way.

Hon. J. R. Brown: You want the Government to continue in an illegal way. We want Parliament to legalise it.

Hon. G. W. MILES: Members know my views on State trading, and I have made clear my attitude to the insurance companies. I have no alternative to opposing the Bill.

HON. G. POTTER (West) [7.43]: I do not propose to traverse at any length the arguments regarding State trading. The whole history of State trading makes melancholy reading and melancholy talking, and we are all convinced that State trading has been a brake upon the commerce of this State. Those who support the principle of this Bill aver that State insurance is not State trading. We have also been told that insurance is not commercialism, and therefore it cannot be State trading. I propose to show that insurance is commercialism: in fact, it is one of the main features of commerce. Business, as it is carried on today, would not be possible unless the system of insurance existed. What is the meaning of insurance? It is merely a communal arrangement by which a number of policy holders band together and pay premiums into a fund, so that the effect of any calamity overtaking one of them is spread over the whole and the individual cost is hardly perceptible. If one cared to do so, he could

show quite logically that insurance in itself is quite a wasteful thing, insomuch as money is paid away without any tangible return, but where it does become valuable and gives a direct return is that it allows the people to take risks in their own businesses; it allows them to extend a business, and allows them to be free from worry and care, which would not be the case had they hanging over their heads all the time the risk and danger through loss of life or limb, or loss of cargoes at sea, or loss of building premises. The position is intermixed, even with banking, and no one can say that banking is not a direct commercial proposition. Therefore it is idle to say that what is now proposed is not an extension of State trading as it stands at the present time. When we look at the Bill we must be convinced that above all things it is a validating Bill, a Bill to make legal something that has been done by unconstitutional action, by the Government or a Minister belonging to that Government. Validating Bills come before us from time to time and we examine the cause that was responsible for their introduction. We usually find the cause is an error unwittingly made, or perhaps something done by a local governing body, or a corporation or trust, to meet an emergency. There can be no plea that this validating Bill now before us is to meet an error that was unwittingly made, because the institution of State trading was purely a pre-determined socialistic manoeuvre. There can be no question of an error having been committed, or that the desire was to meet an emergency. We merely have to look at the circumstances to find that no such excuse can apply or can be considered a reason for the introduction of the Bill, because within a few weeks of the establishment of the State insurance office the Government were to meet Parliament. Surely they could have arranged their affairs in such a way as to bring this measure constitutionally before Parliament. They could have taken Parliament into their confidence regarding what they claim to be a necessity for the establishment of an insurance branch of the State trading concerns to operate against the institutions that have been in existence so long in Western Australia and that have done so much for the State in its early as well as its recent development. We awoke to read in the newspapers that the insurance office had been established, and then we were treated to a

long series of controversies between Ministers and the executive of the insurance offices, and one outstanding feature of the controversy was that the insurance companies did not know exactly where they were. They had no opportunity to quote any rate for insurance for the mines because they had no data on which to base their rate, and it was unreasonable for anyone to ask an insurance company to quote for something about which they did not know anything. Statistics from the laboratory at Kalgoorlie were not available, and even the Government were not in a position to make an actuarial calculation. The Government, however, were in this position, that they had means of access to information, and rightly so, that would be denied to the general public. Of course we knew how necessary it is that the information gathered in the laboratory should, up to a certain point, be treated with the utmost secrecy, but when the Government proposed to establish something in the nature of an advisory committee to go into the question of rates, etc., one would have thought they would have asked the insurance companies to send along a representative, particularly when the insurance companies had made their position so clear and so plain. But the insurance companies were treated with scant courtesy. Had they been consulted, no doubt they would have been able to give to the Government, or to the advisory committee, the benefit of their experience. I do not for a moment reflect upon the ability of the gentlemen who comprised the advisory committee. They are all highly trained in their particular callings, and surely one cannot spurn accumulated experience and the ability of the managers of the big companies who have made such a success in their respective businesses. When the insurance companies found themselves in this *cul de sac*, they informed the Government they would take over the risk if the Government indemnified them against loss. The supporters of the Government ridiculed the companies; they said, "What an absurd thing it is that the taxpayers' money should be used to indemnify any company or individual." Strange to say, at about that time, some of the supporters of the Government, and certainly the organised body for which the Government are the mouthpiece, were busy sitting in conclave to show that they were not averse under certain conditions to using the taxpayers' money. I will

quote from the "Worker" of the 24th July, 1925. It says—

This conference demands the State Government to immediately take full control of the Mine Workers' Relief Fund and pay the same weekly allowance to the beneficiaries of the fund as is provided under the Workers' Compensation Act, such extra expense to be charged against the revenue of the State.

Hon. E. H. Harris: That would have involved considerable expense.

Hon. G. POTTER: It will thus be seen that people should be careful when they handle such two-edged arguments. The insurance companies were quite right in asking the Government to indemnify them against loss, because they recognised that if anything happened to seriously dislocate the mining industry, it would possibly sound the death knell of mining in Western Australia. The insurance companies were alarmed because of what that might mean to Western Australia, and it was, I again submit, quite a fair business proposition that they should be indemnified against loss. There were other features regarding the establishment of the State insurance office. One very unpleasant feature was the letter sent out to Government contractors. We all know the text of that letter, which contained a veiled threat that unless the contractors sent along their business to the State office the Government would put such obstacles in the way that would impede them in their future business in respect of Government contracts. Anyone reading the letter would immediately infer that that was the intention, and as such it was a most reprehensible attitude for any Government to take up. It only shows that if State insurance is launched and no restriction is placed upon the establishment of the office, by virtue of expediency the same thing might happen again, and there is no saying exactly what would ultimately take place in the commercial community if a State insurance office were allowed to interfere with the conduct of business in the manner indicated in that letter. The insurance companies cannot be called to task for defending themselves. Surely it is inherent in everyone, when calumnious statements are made, that they should defend themselves, and when they try to show the public the true facts of the case, or both sides of the argument, it is wrong to say that they should not have opened their mouths, or that they should not have come forward with statements that

were capable of analysis or of being proved or disproved. I have heard also that those who were searching after the truth and were trying to see the picture from all angles, were accused of being puppets of the insurance companies. That also is reprehensible. The attitude that has been adopted by the Government can have one result only, and that is to take the public mind from the true perspective, and to dress up the figure of insurance in false habiliments. The Government are trying to put into the public mind a wrong conception of the true facts. One of the most curious arguments used is that the companies have made huge profits. It has been contended time and again that the companies are not making fabulous profits, and, moreover, they are not making profits in the way that has been suggested. Again, why should not directors of insurance companies, just as well as any other company, be paid fees for the work they perform? Those men have been elected by the shareholders, and they are paid not for the work of an hour or two that they may be asked to perform, but for their knowledge and experience gained in some business or other, which knowledge and experience they place at the disposal of the shareholders. In trying to throw dust into the eyes of the public, the Government did not issue a statement to show us what the insurance companies did during the critical financial period that this State, as well as the other States of the Commonwealth, have passed through in the last 12 years. The insurance companies were the first in the field at all times to put money at the disposal of the State and the Commonwealth. There is another phase of the question that we do not hear much about from those people who liken the companies to excrecences in the commercial world. We are not told that those companies pay in taxation, either municipal or State. They do not tell us their value to the community as employing agents. Not only do the companies pay taxation, but they pay an enormous sum in wages, which is also a taxable commodity. So it would be very difficult to trace just the extent of the value of the insurance companies to Western Australia. Even at the present time the companies do not go entirely unfettered, for we place legislative restrictions upon them. They have to guarantee their bona fides, thus providing cheap money for the State. When we place legislative restrictions on any company, it is unfair for

the Government to come into competition with that company since the Government have no such restrictions imposed upon them. It has been said the Government office will not interfere with the private companies. But it must interfere with those companies, and with the welfare of the State; for if the companies lose much of the business, they will have to discharge many of their employees. The contention of supporters of the State office is that it will be able to do the work much cheaper, by virtue of employing less labour. I can understand the Government's conviction that they will do that, if they have in mind a repetition of the practice indicated in that notorious circular letter, for it means that they will illegally conscript business to the State office. In another place questions have been asked regarding the Government's intention as to the insuring of crops. I understand that the Industries Assistance Board settlers are having their crops insured by the State office, and that reinsurances have been effected by the Government with some company. The identity of that company is a profound secret. Parliament and the country are entitled to know whether it is an outside company or a local organisation, since ultimately the business must touch the finances of the State. Whether or not the Bill is defeated, it will cost the taxpayer a considerable amount of money. Even if it be defeated, there is more than a likelihood that the State Insurance Office will carry on illegally.

Hon. J. Cornell: There can be no going back.

Hon. G. POTTER: If the Bill pass the second reading, I will, when in Committee, move an amendment, the partial effect of which will be to confine the operations of the Bill to the mining industry. That was the alleged sole reason the Government had for entering upon insurance business. They said it was forced upon them by the action of the companies, and that had they not accepted the position it would have been a death-blow to mining, and would have left the tubercular miners in a very undesirable position. Also in Committee I will support Mr. Ewing's amendment to confine the operations of the Bill to one year, so as to enable the Government to make such provision as will save the taxpayer at least some of the threatened losses.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [8.5]: In presenting the Bill to the House I contended that the Government were forced into the position of opening a State insurance office, that the insurance companies had refused to guarantee to quote a premium to cover miners' diseases even if the Minister for Labour supplied them with all the information in his possession; that they had issued notices withdrawing from the field of general workers' compensation insurance before the Government embarked on the enterprise covered by the Bill; that the Government had merely acted in the direction of preventing the will of Parliament being defeated; and I asked members to refrain from destructive criticism and, if they were unable to approve the action of the Government, to suggest some decent alternative. I placed before the House a long series of facts in support of the stand I had taken, and I expected that an attempt would be made to dispute the accuracy of those facts, or to show that my reasoning was unsound, or that some other course should have been followed that would have achieved the object in view without injury to the interests of the State. I must say I have been bitterly disappointed. The first two members who spoke on the second reading were manifestly fortified with all the arguments that could be used in defence of the stand taken by the insurance companies, and they either paid me the great compliment, or exhibited towards me the supreme contempt, of ignoring the case I had endeavoured to put up in defence of the Government. They relied either on newspaper controversy or on sweeping condemnations of the trading concerns started by the Scaddan Government. For both Mr. Stephenson and Sir William Lathlain I have great respect. Mr. Stephenson is a gentleman possessed of a rare fund of commonsense, and Sir William Lathlain has shown, during the time he has been a member of the House, that he is not swayed by party prejudices. Also he has often been of great assistance to me and to other members in the solution of difficult problems. I must say that as a rule both gentlemen are very fair in their criticism. But in the matter under review I cannot help thinking their ancient hostility to trading concerns has developed into a complete obsession, arising probably out of their former connection with the Perth Chamber of Commerce, at whose meetings wild statements re-

garding the trading concerns were always the order of the day 13 or 14 years ago. It is strange that although various Governments have been in power since the Scaddan Ministry launched the trading concerns, not one of those Governments, though possessed of the power to get rid of them, has attempted to close them down or dispose of them. A serious charge is made against those different administrators. Sir William Lathlain tells us that, "No Government that has been in power, whether Liberal or Labour, National or United Party, or any other party, has had enough pluck to make a clear and concise statement of the enormous losses that have been made on these concerns." Why some of them should not have had the pluck I cannot say, nor does Sir William Lathlain explain. The presumption is that the failure was due not entirely to a magnanimous desire to spare the Labour Party, but to the fact that those Governments were in a better position to judge the merits of the trading concerns than is Sir William Lathlain, who has had no opportunity to study the question with a full knowledge of the facts. But I do not propose to allow myself to be drawn into a controversy on the merits or demerits of trading concerns, a question that has no bearing whatever on the subject under review. If I were disposed to permit myself to be taken off the track, I would point to the largest and unhealthiest of the State trading concerns—the Wyndham Meat Works—and I could prove that the Scaddan Government were pushed by several of the most influential members of this House into providing an item on the Loan Estimates for that enterprise. Also I could show that a Labour Ministry had nothing to do with the carrying out of those works, which were completed at about half a million in excess of the estimate, and burdened by excessive capitalisation. I could prove to the hilt that this House was largely responsible for the Wyndham Meat Works, and that one of the members of this House who spoke against the Bill before us was one of the strongest advocates of the establishment of the Wyndham Meat Works.

Hon. J. Cornell: There is no doubt about it.

The CHIEF SECRETARY: But if I were to do that, I would run the risk of obscuring the issue, without achieving any useful result. In referring to the com-

mittee appointed by the Government in 1925 to collect data for the information of the insurance companies, Mr. Stephenson commented indignantly on the fact that no representative of the insurance companies was asked to act, or invited to give evidence before the committee. That accusation has been repeated to-night by Captain Potter. I may say that before the committee was appointed it was an understood thing that the companies and the Government should pursue their separate inquiries and then pool their resources. It is only since this trouble arose that any suggestion has been made about the unfairness of the companies being unrepresented on the committee. Twelve months have elapsed and no complaint has been made by the insurance companies. Yet now they make a grievance of it. Can that be called a genuine grievance, or is it a grievance born during the last few months? When the committee was in a position to do so, it waited on the representatives of the Underwriters' Association, and as chairman of the committee the Government Actuary informs me he made a lengthy statement explaining every detail and placing the whole of the collected information at the disposal of the companies. Questions were asked and answered. Perhaps I may be forgiven for saying that the representatives of the insurance companies were most enthusiastic over the information supplied to them, and in their expressions of praise for the way the committee had proceeded in the inquiry. Indeed, the secretary was so enthusiastic that he stated it was the finest thing on the subject ever presented to the companies. The other day I received a note from the Government Actuary in which he says—

The date of the report of the committee appointed by the Hon. A. McCallum is June 2nd, 1925. Towards the end of May the committee waited on the underwriters, when I made a full statement to them dealing with the whole position, and giving them the tabular information contained in the report. Then, on June 9th, 1925, I sent a long letter to Mr. W. A. Hutchinson, the Secretary of the Underwriters' Association, conveying to him all the important information contained in the report, including the tabular statements. I did not at that time supply him with an actual copy of the report, as it was then confidential to the Ministers only. A little while after, though, I supplied Mr. Hutchinson with an actual copy of the report which he manifolded and distributed to all the companies. He also supplied me with about a dozen copies. Below is a copy of a letter I received from Mr. Hutchinson in acknowledgment.

The Secretary of the Fire and Accident Underwriters' Association writes to the Government Actuary—

I have by direction to acknowledge receipt of your favour of the 9th inst., forwarding information with reference to the conclusions arrived at by the special committee appointed by the Government to advise on various matters relating to miners' phthisis. The information you have supplied will be of very material assistance to my association when dealing with the miners' phthisis question, and I am to thank you for your courtesy in supplying these details. Yours faithfully, W. A. Hutchinson, Secretary.

It seems from Mr. Hutchinson's letter that he states the information supplied by the committee will be of material assistance to his association when dealing with the miners' phthisis question. It will be observed that this information which was then described as of material assistance is now declared to have been valueless. Let me now get back to my story. Although the results of the separate inquiries were to be pooled, nothing of any material importance has been placed into the pool by the insurance companies. I have no desire to be unjust to them in any way, but that is put forward as a bare statement of fact. Mr. Stephenson implies that the premium of £4 10s. has nothing to support it, and that the companies could not quote a premium until the result of the medical examinations was known. Now that the information is in their possession there is still no sign of the quotation of a premium. As a matter of fact, the premium of £4 10s. is based on the actual experience for 10 years of the members of the Mine Workers' Relief Fund. These members, as I have previously stated, consist of the very class of men who are now covered by the Workers' Compensation Act, and are employed in the very class of mine. Mr. Stephenson says that the committee had only rotten data. Mr. Bennett, as a qualified actuary, should be a better judge, and he asserts that the data available were, at the time, the best available, and were of the very sort that any actuary would endeavour to obtain in such an inquiry. The main difficulty to his mind is one that is not susceptible of scientific actuarial treatment. It is this: will the fact that a larger benefit is paid under the Workers' Compensation Act induce the miner to disclose his unfit physical condition at an earlier date than he did previously? That can only be proved by experience. Mr. Bennett is firmly of opinion

that if the rate of claim continues, as it did for the ten years examined by the Committee, then there is nothing wrong with the premium of £4 10s. per cent. He has informed me that if in Queensland the present premium of £4 per cent. had been charged the gross premiums would have largely exceeded the claims, and he further states that if scores and scores of claims paid in Queensland (which could not possibly come under the Western Australian Act) were deducted the favourable margin would be still greater than it now appears to be. Mr. Stephenson has made an appalling error in stating that the liability is likely to be £500,000 per annum, or perhaps more. He made this statement twice. This would mean that each year about 670 miners would be rendered wholly incapable of working, and that in five years the whole of the present miners, something like 4,000, would be practically on the scrap heap. The representatives of the insurance companies have never gone so far. They have maintained that in the first year the initial claims in respect of those in an advanced state of silicosis would involve an estimated liability of between £500,000 and £800,000, but so far as I am aware after a perusal of the newspaper correspondence, it has never been suggested that this would be an annual charge.

Hon. J. Nicholson: I did not understand Mr. Stephenson to mean that it would be a current charge for the year.

The CHIEF SECRETARY: I took a note of the point, and since then I have had corroboration of it. A reference was made to the position which arose in New Zealand in 1909 and in Tasmania in 1920. In those States they had no actual experience such as was available in Western Australia to guide them in the computation of a premium. Moreover, I do not think the local insurance companies are entitled to assume that the problem cannot be solved in Western Australia merely because a solution was not reached in New Zealand and Tasmania. It could be demonstrated that if a premium could be computed to meet the position in Queensland as well as in Broken Hill, neither of those premiums was quite so high as that now suggested for Western Australia. There should, however, be no reason why we should not be able to carry on, perhaps not profitably, but successfully, with our State Insurance office in Western Australia. Mr. Stephenson, and some mem-

bers who followed him, dealt with the position in South Africa and suggested that here the miners should be compensated under the Miners' Phthisis Act instead of under the Workers' Compensation Act. The particular Act under which compensation is granted does not necessarily affect the amount of the claims. Apparently what Mr. Stephenson desires is that the Government should be called upon to pay the whole of the claims. No doubt that is in his mind. In South Africa the claims are paid by the mining companies, the Government being responsible for only the cost of administration. Thus, if Mr. Stephenson's desire were carried into effect the mining companies would not contribute one penny towards the compensation. A contributor to the "West Australian," who has received the benedictions of that paper, takes a view similar to that taken by Mr. Stephenson, namely, that the miners should be compensated under the Miners' Phthisis Act. The writer describes this solution as "obvious and simple." It is simple to the extent that it places the whole burden, for present and future cases, on the Government, and allows the employer to go scot free. It is then, I say, as unfair as it is simple, and that is probably why no one suggested it before. The South African scheme has been well known for many years but Mr. Stephenson, and the writer in the "West Australian," omit to state that the mining companies in South Africa have to bear what they consider a terribly heavy burden, amounting, I am informed by the Government Actuary, to something like a million pounds a year. They complain bitterly about the position in which they find themselves. If the mining companies in this State are to be exempted from bearing even a small proportion of the liability which they created, then every other class of employer has an equal right to similar consideration. Sir William Lathlain estimates the total liability in regard to silicotic miners as being £500,000. It does not represent such a huge figure as that given by Mr. Stephenson, but it is based on an inaccurate conception of the circumstances of the case. Sir William Lathlain apparently thinks that most of the men affected by silicosis are totally incapable of working, and that they could successfully launch a claim for compensation. It is known that the affected men are in all stages of silicosis, some being only slightly "dusted" and others of course,

in a more serious condition. He overlooks the fact that many of the miners have silicosis only to a slight extent, and that many of these have already left the industry and will never return to it. Tubercular cases which are silicotic will come under the Workers' Compensation Act. Only the purely tubercular cases will come under the Miners' Phthisis Act. All the tubercular cases having been removed from the mines, there will in future be much less danger than heretofore of new cases arising. It must be remembered that whilst tuberculosis is contagious, silicosis is not. When the tubercular men are removed, it should be safer for the silicotic men than it has been in the past, because of infection from their fellow workers. Sir William Lathlain further states that while the liability will be an ever-increasing one, the revenue—owing to the closing of the mines—will probably be a decreasing one. This statement, as it stands, appears to me rather illogical. If the industry employs fewer and fewer men, obviously there will be fewer men to become silicotic; and so I fail to see how the statement can be regarded as having any of the elements of soundness. Sir William thinks that the offer of the companies to do the business for a commission was a fair one. Presumably the commission would have been based on the claims. It would have been an unwise step to take, because the larger the claims, the bigger would be the commission. Moreover it would have given a fine opportunity for the insurance companies to obtain a good name for generous settlements, at any rate amongst the miners, and all at the cost of the community. The companies, well knowing that they were taking no responsibility, would naturally have settled claims on a very generous scale. It has also been stated, and stated by more than one member, that the State Insurance Office have undertaken the insurance of wheat crops. The statement is not correct. The Industries Assistance Board are taking the risk in respect of their own mortgagors, and the Government Actuary, purely in his position as Government Actuary, is carrying out the details of the insurance; but business is not being done with the public. The Industries Assistance Board are merely doing what mortgagees usually do—control the insurance. The only difference is that the Industries Assistance Board are sufficiently large to be able to take a great deal

of the risk themselves, with the aid of re-insurances. Seeing that I.A.B. settlers have paid in premiums over £250,000, whilst the losses have been about £101,000, the action of the board does not appear to be unreasonable.

Hon. G. W. Miles: With whom are the board re-insured?

The CHIEF SECRETARY: I have not that information available, and I fail to see that it has any bearing whatever on the Bill. Sir William Lathlain made a long statement about State enterprises, and advocated that the Government, instead of placing capital in the State insurance concern, should use it for railways. It is a sufficient reply to state that in the opinion of the Government Actuary no capital whatever will be required for the State Insurance Office. That may come as a surprise to some hon. members. It may be well to remind Sir William Lathlain that quite a number of large employers, such as Millar's Timber and Trading Company, the Amalgamated Collieries of Collie, and others, are carrying their own risks just as the Industries Assistance Board are doing. The statement made by Sir William towards the end of his speech, that a reserve fund of £12,000 had been created over a period of 13 years, is incorrect. A sum of about £12,000 was paid into revenue, this sum being the amount in excess of the reserve of £50,000 which was built up during the period of 13 years. Mr. Cornell made a telling retort to Sir William Lathlain's argument as to over 50 insurance companies doing business in Western Australia, each one paying municipal taxes, salaries, commissions, etc. Mr. Cornell interjected that that money had been obtained from clients. The fact is that the public pays all these amounts in the premiums. This is one of the great justifications for State insurance. There is no economic value in 50 insurance companies operating in a State which has such a small population as Western Australia. Dr. Saw made a sound contribution to the debate, and of course was pursued by the insurance companies in the Press. I do not think, however, that they have any reason to feel well pleased with the fruits of the chase. I stated that five days prior to the Minister for Labour withdrawing his approval from the insurance companies, these companies had cancelled their policies with the mine owners, not only in reference to miners' diseases, but also in reference to general

workers' compensation. Dr. Saw seems to be in some doubt as to the accuracy of the statement.

Hon. A. J. H. Saw: I said the accuracy of the statement was disputed in the Press.

The CHIEF SECRETARY: Does any member dispute it? Because I have here the proof of what I have stated. In reply to Dr. Saw the secretary of the Fire and Accident Underwriters' Association states that "since the policies in question"—meaning the policies which were cancelled—"cover all risks under the Workers' Compensation Act, it follows that if these policies had been kept in currency the additional risk would have been covered without any increase in rates." That may have been so; but it will be noted as passing strange that these insurance companies, which Mr. Stephenson tells us would not do anything so absurd as to turn down business, were so unconcerned in the matter of retaining business that in their letters of cancellation they failed to inform their old clients that, while unwilling to touch miners' diseases, they were still prepared to do general accident insurance on either old or new lines. As a matter of fact, representatives of mining companies other than gold mining have had to come to the Government and ask to be covered, being totally abandoned by the insurance companies. The deduction to be drawn from the action of the insurance companies is only too clear. Their manifest object was to leave the mine owners unprotected, create a crisis, confound the Minister for Labour, and prevent the will of Parliament from being carried into effect. May I be permitted to add that the underwriters, in replying to Dr. Saw's main contention that State insurance is the corollary of compulsory insurance, deliberately misconstrued the point of Dr. Saw's statement. They retorted, "Why not free education, free clothes, and so on?" Dr. Saw's point was that the underwriters having combined in one solid block and thus fixed the minimum rates of premium, the element of competition had been entirely removed. This was sane reasoning, and it is in itself an emphatic justification of State insurance. Indeed, it is more than a justification: it makes State insurance an absolute necessity. Mr. Dodd's sympathetic speech reminds me that in 1912 he introduced into this Chamber legislation bringing miners' diseases under the Workers' Compensation Act. However, despite

his strenuous advocacy he failed to secure the approval of a select committee of this House to the provisions of the Bill. Mr. Dodd also rendered great help during the session of 1924 in placing the present measure on the statute-book. Mr. Dodd expressed a wish that, in replying, I should tell the House whether the Queensland State Insurance Act in regard to workers' compensation risk excludes industrial diseases. I forwarded a note of Mr. Dodd's remarks to the Government Actuary for his comments, and I do not think I can do better than quote that officer's written reply, dated the 3rd November—

State Insurance. Replying to your memorandum of to-day's date, relative to Mr. Dodd's statement yesterday in the Legislative Council I have to advise you as follows:—The benefits under the Queensland Workers' Compensation Act do include industrial diseases, miners' phthisis being amongst them. An additional premium of £4 per cent on the wages is charged for miners' phthisis. Up to 1924 the premium for miners' phthisis was only £2 per cent. If the premium of £4 per cent. had been charged from the inception, the total premiums received by the Queensland State Insurance Office would have been £279,000 approximately, and the claims about £225,000. The maximum benefit in Queensland is only £400, but, against that, scores of claims have been admitted that could not possibly come under the Western Australian Act. The general workers' compensation business in Queensland under a monopoly has been so profitable that a considerable sum has been transferred to help to pay the deficiency in the Miners' Phthisis Fund, the deficiency being caused of course by the fact that the experimental premium was found to be too low. With regard to the general compensation benefits in Queensland, they are not quite the same as in Western Australia, but I should say that on the whole they are of approximate value. The success has been so pronounced in Queensland that it is now proposed—in fact, I believe the measure has just passed through Parliament—to increase the compensation to two-thirds of the wages, with a maximum weekly payment of £4 5s. This is to be done without increasing the present rates of premium. I may add that a comparison of the rates charged in Queensland and Western Australia discloses the following position:—In Western Australia the tariff charges are greater than in Queensland in 406 cases; and in 95 cases they are greater in Queensland than in Western Australia. These figures show conclusively that Queensland provides a better benefit at a cheaper rate.

Sir Edward Wittenoom, like Mr. Stephenson, Sir William Lathlain, Mr. Baxter, Mr. Nicholson, Mr. Hamersley and others, characterises the State Insurance Office as a trading concern. I submit that it does not come within the definition of trading con-

cern in the State Trading Concerns Act of 1916. Subsection (3) of Section 4 of that Act reads:—

The expression "trading concern" means any concern carried on with the view to making profits or producing revenue, or of competing with any trade or industry now or to be hereafter established, or of entering into any business beyond the usual functions of State Government.

In the first place it cannot justly be said that the State Insurance Office was established with a view to making profits, because it is generally admitted that there will be no profits, while all the opponents of the undertaking declare that there will be very heavy losses. In the second place it was not competing with any trade or industry, as the insurance companies had already abandoned the entire field that it covered; and, in the third place, it was not entering into any business beyond the usual functions of State Government. In proof of that, I have only to point out that as far back as 1869 State insurance was commenced in New Zealand; in 1914 the Government of Victoria opened an office; and Queensland, New South Wales and South Australia have followed these examples. In the Commonwealth Constitution Act passed 25 years ago, one of the powers taken by the Commonwealth Government related to insurance, and it recognised the power vested in the States to deal with insurance. In Section 51 the legislative powers vested in the Federal Parliament include the following reference:—

Insurance other than State insurance; also State insurance extending beyond the limits of the State concerned.

How, then, can it be argued that State insurance can be regarded as a State trading concern in the ordinary acceptance of the word? Still I do not wish to stress that point, which is a controversial one tending only to confuse the issue. My point is that the extremity of necessity impelled the Government to immediate action; otherwise the mining companies would have borne heavy risks without being covered, the miners would have been unprotected and the mines would probably have closed down.

Hon. A. Burvill: Would that include the Collie coal mines as well?

The CHIEF SECRETARY: Probably. That is all due to the fact that the insurance companies, which had been given a

monopoly of the business by the legislature, had refused to function, and had attempted to prevent the decree of Parliament being put into operation. Sir Edward Wittenoom, in the course of his speech, asked a question. It was this: "If the Bill is thrown out, what is to be done for the injured miners?" And he answered the query himself. "They should," he said, "be cared for from the Consolidated Revenue Fund."

Hon. Sir Edward Wittenoom: Quite right.

THE CHIEF SECRETARY: Yes? Other members expressed themselves in a similar manner. The suggestion will not bear examination for a single moment. It should be patent to anyone with a knowledge of our finances that the only way in which it could come from Consolidated Revenue would be by putting something additional into Consolidated Revenue by imposing heavily increased taxation on the whole community.

Hon. Sir Edward Wittenoom: You will have to pay it through the insurance department!

THE CHIEF SECRETARY: The Consolidated Revenue to-day has no funds from which the money could be drawn. Consolidated Revenue has been showing a deficit for years, and, although a surplus is estimated for the present financial year, it will be only a small matter of £10,000, whereas we are told that anything from half a million to £800,000 is needed to foot the bill!

Hon. G. W. Miles: Do the Government admit that the loss will be half a million or more?

THE CHIEF SECRETARY: I am not prepared to admit what the Government think: I am quoting the declaration of hon. members of this Chamber. They have sent that statement forth to the world throughout the Press. They have told the people that the Government intend to undertake liabilities that will represent losses amounting to anything up to £800,000, and then we have the suggestion made that the money should come from Consolidated Revenue! There is not a sixpence available from that source unless we impose substantially increased taxation. It is idle, therefore, to talk of the money coming out of Consolidated Revenue, and just as idle to argue that the taxpayers of the State should shoulder the burden of meeting the liabilities of the mine owners for years to come under the Workers' Com-

pensation Act. In any case, if it were to come out of Consolidated Revenue, it could only do so, as I have already indicated, by the imposition of taxation, and to resort to such an alternative, after having given practical proof by a Bill we recently passed, that we recognise in heavy taxation an instrument that has damaged the State would be to stultify ourselves and make ourselves ridiculous in the eyes of the world. Before I conclude, I hope I shall be able to show hon. members what the position will be if the Bill is not agreed to, and they can ask themselves if they will be prepared to assist the Government in providing the heavy taxation that will be needed to cover the losses they have referred to.

Hon. V. Hamersley: Will you tell us how you propose to make up the losses that will be incurred?

THE CHIEF SECRETARY: This leads me to another proposition which has been favoured. It has been said that a large portion of the Federal disabilities grant should have been earmarked for cleaning up the mines. That is another impossible proposal. I will now read what Senator Pearce, one of the Ministers in the Commonwealth Government, had to say on the subject. He delivered an address to the Argonauts Club on the 8th April of this year, and I will take a brief extract from his speech, as reported in the "Daily News"—

He had seen a report of what one of the State Ministers had said at Kalgoorlie that portion of the money would be used to assist miners stricken with miners' phthisis. Worthy as that object undoubtedly was, it was not caused by Federation, and for that reason it would not be proper to use money in that direction.

Hon. G. W. Miles: That is only Senator Pearce's view.

THE CHIEF SECRETARY: But he is a responsible Minister in the Commonwealth Government, and that is his view!

Hon. G. W. Miles: You do not take him seriously, do you?

Hon. H. Stewart: Only when it suits.

THE CHIEF SECRETARY: What is the use of offering a suggestion of that nature, when one of the responsible Ministers of the Federal Government has distinctly stated that the money should not be used for such a purpose? Having received the money, we could perhaps have disbursed it in the manner suggested, but we would have been guilty of a breach of faith, and

there is no doubt we should see the end of the disabilities grant in consequence.

Hon. E. H. Harris: You say that, and yet you pinch the money and put it into general revenue!

The CHIEF SECRETARY: Mr. Nicholson and other hon. members contended that Parliament should have been called together to approve of this Bill before the Government engaged in the new undertaking. It should be remembered by our critics that the insurance companies abandoned the field of general workers' compensation on the 5th June, and the Government opened the insurance office on the 15th June. Parliament had been prorogued to the 29th July. There were only six weeks to run, and immediately after the Address-in-reply had been concluded in another place, the Bill was presented. Let us suppose that both Houses of Parliament had been called together after the insurance companies had refused to function. At least three weeks' notice would have had to be given as some members were in the North-West; then there would have been lengthy discussions on the Bill in both Chambers. There would have been a great loss of time. We would have made "haste slowly," to use the expression of Mr. Glasheen, but with grievous consequences. Hon. members, I feel sure, have a genuine consideration for the welfare of the miners and the mining companies. They have stressed the point during the course of this debate. But what would have been the position of the mining companies if they, owing to the lock-out by the insurance companies, had had to carry the whole of the risk under the Workers' Compensation Act, not only as regards miners' diseases, but as regards general accidents as well? They could not have faced the liability, and they would either have had to dismiss every man suspected of being dusted, or close down. At best, from whatever point of view we look at it, hundreds of men would have been thrown out of employment. Mr. Nicholson asked: "Why proclaim the third schedule of the Act? Why not wait?" We have already waited a year, and a month's notice had already been given of the intention to proclaim the third schedule of the Act. If I may be permitted to perpetuate a bull, I would go further and answer Mr. Nicholson by asking another question: "Why should the Government allow a great industry to be injured, and the operation of a law to be delayed, because a huge association of corporations,

to which Parliament had granted a monopoly, had clubbed together and made up their minds that they would override Parliament and make its enactment a dead letter?" The Government would have been wanting in backbone, and lacking in their duty, as the representatives of Parliament and the people, if they had remained inactive and failed to deal with the situation in the only way that would suggest itself to a reasonable mind. Mr. Nicholson said it might be more appropriate for the Government to embark on business such as the burial of the dead than on State Insurance. For, he added, that "while the burial of the dead is something that affects the whole community and applies to all men and women, the third schedule of the Workers' Compensation Act is not necessitated by the needs of the community generally, but by the needs of one small section of the community." This is peculiar reasoning, and if the principle had been acted upon many years ago, Western Australia would be largely in the control of blackfellows to-day. Our first State railway, built in Crown colony days, served the needs of only "one small section of the community" and destroyed the vested interests of fifty or sixty carriers. History records that the fifty or sixty carriers and a number of their sympathisers were openly hostile to the line. There were some in the metropolis also who urged that it should not be built, as "it would serve the needs of only one small section of the community." But the Governor of the day showed little concern for the interests of the fifty or sixty carriers or for the jealousy of the city; he realised the value of the mining industry; he recognised that it was worth conserving, and he forced through Parliament a Bill authorising the undertaking. In like manner the Federal Government are showing a preference for "the needs of one small section of the community" in Australia by providing an aerial mail service to the North-West. It is much to be regretted that Mr. Nicholson did not keep to his text. He started out by saying that he, with every other member of the House, was anxious to see that the men on the goldfields, who became affected with miners' disease, would be rightly and fully compensated, and half way through his speech he argued that "as they are only one small section of the community," the Government were not justified in opening a State Insurance Office to provide for their necessities. The hon. member mentioned an amendment of the Miners' Phthisis Act to

meet the position. It may be stated that the taxpayers are already carrying a heavy liability under that Act, which now deals only with men suffering from tuberculosis. If I interpret Mr. Nicholson correctly, he wishes to have the 642 men who are affected with silicosis—459 of them only in the very early stages of dust—forcibly removed from the mines, and placed under the Miners' Phthisis Act. Presumably this sort of thing is to go on from time to time, and the mining companies are to be freed from all their obligations at the cost of the general taxpayer.

Hon. J. Nicholson: I did not say that.

The CHIEF SECRETARY: Then it would have to be met out of Consolidated Revenue.

Hon. J. Nicholson: No, I suggested dealing with the men already affected as a retrospective liability.

The CHIEF SECRETARY: Who would bear the financial burden?

Hon. J. Nicholson: The State.

The CHIEF SECRETARY: Then it would have to be financed and no member has shown how it could be financed. The Government are anxious for information on that point. It is of no use members arguing that the Government should do this or that unless they suggest how it could be done. It has been argued that the liability would be up to £800,000, and no financial scheme has been propounded to meet that awful situation. Mr. Harris asked whether inspectors of mines come within the scope of the Workers' Compensation Act because of their duties underground. In reply to this question I have the assurance of the Minister for Mines that arrangements have been made with the Government Actuary so that inspectors of mines who may be affected by the Third Schedule of the Workers' Compensation Act will be covered by insurance. Mr. Harris also asked for the date when the insurance companies first refused to insure. From my personal investigations I find that on the 4th May of this year the companies refused to form a pool to handle the business unless suitable guarantees against loss were given by the Government. The question had previously been debated at a conference, and the Minister for Labour declined to give a guarantee against loss, but the Minister informed the companies that the Government did not desire them to do the business at a loss, and he suggested that the mining companies might be sub-

sidised if the premiums were too high. Proof of this is found in an extract from minutes of a conference prepared by the companies' own representative and subsequently handed to the Minister. This extract reads:—

While Mr. McCallum did not definitely state how the companies' pool would be reimbursed for any such deficiency, he implied that the Government would make provision in some form for that contingency. . . . He expected that companies would accept this business under a pool, and foreshadowed that the Government policy would be in the direction of helping the mining companies if the premium had proved too heavy for the industry.

After that, in conference, the Minister agreed to supply the figures he had received dealing with miners' diseases on condition that the companies guaranteed to quote a rate. On the 20th May one of the companies wrote asking whether the Government would supply the figures if the Fire and Accident Underwriters' Association guaranteed to quote a rate. On the 25th May Mr. McCallum replied advising that matters should remain in abeyance for a few days pending negotiations being opened up by the Premier who was in Melbourne. The Council of the Fire and Accident Underwriters in Melbourne refused to meet the Premier and discuss the matter with him. On the 29th May one of the companies asked for the information confidentially with the object of endeavouring to induce the association to form a pool and handle the business. On the 1st June the Minister replied adhering to the offer which had been made by him in conference, namely, that the Government would make available the figures disclosed as a result of the medical examination conditionally upon the companies undertaking to quote a figure as a premium to cover the risk. In the same letter the company were informed that the proclamation would take effect on the 15th of the month, and the Minister requested an answer in a day or two. On the 3rd June the company wrote expressing regret that the Government considered they were not in a position to give the information asked for without a guarantee that the companies would quote a premium, and that the company had failed in their endeavours to form a pool to underwrite the risks consequent on the extension of the Workers' Compensation Act to cover miners' diseases. The first definite breach would seem to have occurred about the 28th or 29th May when the Council of the Fire and Accident Underwriters refused to discuss the question with

the Premier, and war was declared. The companies issued letters on the 5th June cancelling their policies with mining companies. This was followed by the Minister for Labour withdrawing his approval from the insurance companies and the Insurance Office was opened on the 15th June, the date when the Third Schedule of the Act came into operation. From the précis of events which I have given it will be seen that the Fire and Accident Underwriters in Melbourne were the first to break off negotiations by refusing to meet the Premier for the purpose of discussing the matter. It would not have hurt them to meet the Premier. If they had a genuine case to put up, or if they had desired to come to terms at all, that was their opportunity. They refused an audience to the representative of the people of the State when he wished to confer with them on a question concerning them and the administration of the laws of the land. That was when the first definite breach occurred. Mr. Harris asked why, in the first instance, the miners' phthisis portion of the Workers' Compensation Act was made to apply only to the Golden Mile and some of the surrounding districts. The reason was this: The medical examinations for those areas had, at that time, been completed, and the miners who were suffering from tuberculosis were precluded from continuing their employment in the mines. After completing those areas, the medical officers of the Commonwealth Health Laboratory dealt with the more outlying districts. Until those examinations were completed, so that the men suffering from tuberculosis could be excluded, it was not practicable to proclaim the miners' phthisis provisions for the remainder of the State. Mr. Seddon wished to know whether the companies willingly agreed to the rate for general workers' compensation or whether the Minister dictated to them. I had better read the Government Actuary's statement in reply to that query—

In accordance with your oral request I desire to state that I was present at the negotiations which were conducted by the Hon. the Minister for Works with the representatives of the insurance companies early in 1925, with a view to making an arrangement under which business was to be effected in respect of the Workers' Compensation Act. All the negotiations were conducted in a most friendly spirit on both sides, and there was no attempt on the part of the Hon. the Minister for Works to adopt any attitude of dictation to the underwriters. After the first interview, the inter-

mediate negotiations were carried on by myself. After conferring with the Minister, he arranged a final meeting, when the principles of the agreement subsequently entered into were settled. It was then agreed that the tariff rates of premium should be increased by 25 per cent. Insurance was compulsory, the companies thus receiving a large amount of new business without effort.

A further useful question was asked by Mr. Seddon as to whether there had been any negotiations between the mining companies and the Government with the object of enabling the companies to carry their own insurance under the proviso to Section 10 of the Workers' Compensation Act. In reply I can say that no such application came from any mining company, but a few private funds have been approved under that section. Both Mr. Harris and Mr. Seddon ably dealt with the situation. Although I could not agree with everything they said, the fact that they criticised where they thought criticism was deserved makes all the stronger their support of the Bill. Mr. Cornell's presentation of the case, his logical treatment of every important phase, and his capable defence of the trading concerns attacked in the course of the discussion, shows how it is possible for public men to overcome party prejudices in discussing great questions. Mr. Hamersley gave vent to his usual denunciation of State trading concerns. I have heard it before; I first heard it 13 or 14 years ago. Mr. Hamersley also made a new discovery. Here is a point that was submitted by Mr. Hamersley, and by no one else:—

Mr. McCallum promised the insurance companies that he would review the rates of premium agreed to between him and the insurance companies, and he failed to keep his promise.

I have gone through the whole of the file; I have been a consistent reader of the "West Australian" and the "Daily News," and I am not aware that any such accusation has ever been made by the insurance companies.

Hon. G. W. Miles: I think he was referring to workers' compensation.

The CHIEF SECRETARY: That was the first I had heard of it. Mr. Hamersley has no scheme whatever to offer except a guarantee for the insurance companies, a guarantee that would have allowed the insurance companies to carry on in any way that they thought fit. Whatever losses were made by the companies, the Government would have to foot the Bill. That was Mr.

Hamersley's scheme, and he declared that if there was any burden, it should be borne by the general community. I wish to pin down the hon. member to his desire that the burden shall be borne by the community. Suppose the Government brought in a Bill to increase the land and income tax by 50 per cent. in order to finance the scheme, would that receive the hon. member's support? Would the hon. member give his support to such a scheme which he says is necessary, and the burden of which is to be borne by the general community? There is no answer to that. Then there is another mare's nest discovered by Mr. Hamersley. There is a condition in all contracts in connection with road construction that the men employed shall be insured in the Government office. That has been going on for at least 12 years. It was begun in the time of the Scaddan Government, and was continued by the Lefroy Government and the Mitchell Government, and it is still in force. Then again, during the early stages of the saw-mills, it was found necessary to adopt a similar policy. A contract had been let to a man, and one of his employees met with an accident or was killed. At any rate, the liability amounted to £400. The man was not insured by the contractor, and immediately after the accident the contractor went insolvent, and the Government had to find the £400.

Hon. V. Hamersley: Then you have been running a State insurance office all these years.

The CHIEF SECRETARY: Yes, all these years, and without the hon. member's knowledge.

Hon. V. Hamersley: Then why the necessity for this Bill?

The CHIEF SECRETARY: Mr. Miles contended that it was the responsibility of the Government to take the men out of the mines. He did not, however, disclose the method of financing the proposal. No doubt if a taxation measure comes down within the next few weeks, having that for its object, we shall receive Mr. Miles's support. Mr. Cornell applauded the argument that there should be no profit from insurance. According to him if the mines are cleaned, the companies will be prepared to quote and make no profit at all. The hon. member desires to force something on to the insurance companies.

Hon. G. W. Miles: You will have to clean the mines.

The CHIEF SECRETARY: We shall clean them with the aid of the State Insurance Office. Next Mr. Potter repeated what had been said to others, and of course we know where he got his information. The insurance companies were not asked to send a representative to sit with the special committee appointed to collect data. This complaint has come to light recently, but it is 15 months since the special committee reported, and never before was there a complaint from the insurance companies. Mr. Potter has been grossly misled. The insurance companies have been putting in some fine work. They have been, as I said before, pursuing in the Press, members of Parliament who had dared to express an opinion distasteful to them on this question. But, besides pursuing members of Parliament, they have been trying to educate members of Parliament, and the medium of instruction is a pamphlet giving 46 reasons why this Bill should be rejected. This literary production, which can boast all the reckless disregard for truth to be found in the average eleventh hour electioneering dodger, has been distributed among members, and I would not have referred to it at all had it not been used as the groundwork of at least one of the speeches made against this Bill. I secured a copy of the pamphlet through the good offices of a friend. There is a foreword which explains that the booklet is not addressed to those "having a knowledge of insurance, but to the average person who likes to take an intelligent interest in current questions." Opening it at random, I find that the backbone of argument 36 is that "State insurance is of German origin." I do not know whether "the average person, with the intelligent interest in current questions," for whom the booklet was written, is expected to denounce State insurance because someone has said "it is of German origin." Even if it were of German origin I can scarcely think that the "intelligent interest" section addressed would regard the fact as affording sufficient grounds for its condemnation. Just a little lower down is Reason 38. This paragraph is baited to catch a different species of fish. It has been boiled down and hovrilised to make it more effective. Now listen! "Yesterday, meatworks and butchers' shops, with unhappy results. Today, insurance; to-morrow, drapery." That should appeal with terrific force to every softgoodsman and haberdasher down to the

humblest dealer who makes a living by selling bootlaces. What next? the author asks with an air of triumph. Well, it is here now. Wire and vermin-proof netting for farmers on 25 year terms! Which reminds me that there is no reference to the farmer in the seed. That is rather surprising. The farmer is often called upon to render good service as a stalking horse for all and sundry. There was a time when we used to hear a lot about the socialisation of the agricultural industry, but the phrase has not much objectionable application in these days, for the farmer is already socialised up to his eyebrows, and, I may add, he is by no means an unwilling victim. Here is a quotation from the previous page: "Last year the insurance companies paid £42,261 in direct taxation to the State." This was never intended for publication in the Press, but it was innocently let loose by one hon. member. An explanation was subsequently forthcoming. Yet it was not made clear that a substantial portion of that amount was taxation not on the insurance companies, but on those who were doing business with those corporations. In other words it was passed on to the clients in computing the premiums. I do not know what weight matter of this kind, served up in such a style, will have with hon. members. I can scarcely think it capable of swaying their judgment. As I said before, I would have totally ignored it only that it appears to have settled on one member's mind. In my introductory speech I asked hon. members, who opposed this Bill, to submit some decent alternative. No such alternative has been forthcoming. There was the Consolidated Revenue proposal which was applauded by the insurance companies in their reply to Dr. Saw. But there was no concurrent scheme for fortifying that revenue to enable it to bear the strain. Then there was the South African proposition which, if it retained its South African features, would throw the whole of the burden, except the cost of administration, on the mining companies, which is the last thing the advocates of the scheme desire to see brought about. Many of the suggestions, though perhaps impracticable, would have some bearing if we were dealing with a Miners' Phthisis Bill, or an amendment of the Workers' Compensation Act. It appears to be overlooked by several speakers that we discussed and determined the Miners' Phthisis Act last session, and

the Workers' Compensation Act the session before. Both were subjected to deep study and close examination by a committee of this House, and one of them was amended to conform with the views of the majority. Apart from the lock-out by the insurance companies, nothing has occurred since then to induce hon. members to remould either measure. Both Acts are as sound as they were the day they were passed. As Bills the Government were responsible for them; as Acts they are the handiwork of Parliament, and Parliament should stand by them until they have been given a fair test. So far they have been given no adequate test. The Miners' Phthisis Act is doing all right. With regard to the Workers' Compensation Act there is now only one means of proving whether as a whole it is a practical measure, and that is the means provided by the Government. As Mr. Harris pointed out, "there is only one avenue of insurance open to miners." Even now, when the complete figures have been published, when all is known that can be known about miners' diseases, the insurance companies are as dumb as oysters on the question of a quote. It is patent that they never at any time intended to quote. There is some suggestion that the Bill should be amended in Committee so as to restrict the operations of the Act to miners' diseases. That would be a fine thing for the insurance companies but a bad thing for the mining companies and the taxpayers of the State. It is felt that with a share of general workers' compensation business the office can successfully carry on with a rate that is only 10s. per cent. in excess of the Queensland figure, a rate that relieves the mining companies of much financial responsibility. But, deprived of the additional business, it would be doomed to slow strangulation. And in whose interests? In the interests of the 66 insurance companies whose failure to function has brought about the situation that has arisen, not in the interests of the people of the State. I have no personal grievance against the insurance companies. I have never had a quarrel with them. During the last 30 years I have paid them a lot of money, and fortunately got nothing in return except relief from anxiety of mind. This is a matter, however, in which sentiment ought not to be allowed to play a part. The position should be faced, and the results following the loss of this Bill contemplated. Is the State Insurance Office

to be closed up next week, or is it not? If it is to be closed up, and if the Government cancel all existing policies, what will become of the mines? What will become of the men? Those are the points I wish members to consider carefully. The defeat of this measure will not relieve the mining companies of one iota of their obligations under the Workers' Compensation Act. "Amend the Workers' Compensation Act and repeal the third schedule," some one will say. Is that a fair suggestion? Is it a suggestion that the Government could be reasonably asked to adopt? It may be possible, later, after deep thought and serious consultation with all parties concerned, to grapple more efficiently with the problem. But the only remedy for the present is the Bill and the whole Bill. There is no other remedy that can be immediately and justly applied, and failure to recognise the fact may create entanglements and produce effects that are beyond the mind of anyone here to foresee. The administration of the measure will be in the hands of an officer whose qualifications as an actuary and whose integrity as a public servant have never been questioned, and who has already made a wonderful success of Government insurance of various kinds, including this very class of business. He may not be able to make ends meet—he thinks he can—but if he fails, the burden on Consolidated Revenue is likely to be infinitely less than it would be by any other process that could be followed, except such a one as would impose intolerable burdens on the mining industry. I have no more to say. I leave the Bill in the hands of members of this House, and I ask them to pass it as it stands, without any amendment, as the only means available, for the present at any rate, of overcoming a position that is surrounded with difficulties.

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

Ayes	..	..	..	12
Noes	..	..	..	11
				—
Majority for	..	..	..	1
				—

AYES.

Hon. J. Cornell	Hon. E. Rose
Hon. J. M. Drew	Hon. A. J. H. Saw
Hon. J. Ewing	Hon. H. Seddon
Hon. E. H. Gray	Hon. H. J. Yelland
Hon. E. H. Harris	Hon. J. R. Brown
Hon. J. W. Hickey	(Teller.)
Hon. W. J. Mann	

NOES.

Hon. C. F. Baxter	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. G. A. Kempton	Hon. H. Stewart
Hon. Sir W. Lathlain	Hon. Sir E. Wittenoom
Hon. J. M. Macfarlane	Hon. A. Burvill
Hon. G. W. Miles	(Teller.)

PAIRS.

AYES.	NOES.
Hon. J. E. Dodd	Hon. W. T. Glarheen
Hon. G. Potter	Hon. J. J. Holmes

Question thus passed.

Bill read a second time.

House adjourned at 9.40 p.m.

Legislative Assembly,

Wednesday, 10th November, 1926.

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

QUESTION—OLD MEN'S HOME.

Mr. SLEEMAN asked the Honorary Minister (Hon. S. W. Munsie): 1, Did the authorities controlling the Old Men's Home recently refuse to take delivery of some potatoes on account of their size and quality? 2, Was this matter subsequently referred to the Tender Board, who compelled the people in charge of the home to take delivery?

Hon. S. W. MUNSIE replied: 1, No; but the Master reported that potatoes supplied by the contractor were unduly small. 2, The Tender Board investigated the complaint but saw no necessity for action against the contractor unless further cause should arise.