

2. However, I formally move an amendment—

That the following proviso be added to Sub-clause (1):—"Provided that whenever any local authority proposes to act in manner prescribed by this section, notice thereof shall be published in the 'Gazette,' and three times at least in a newspaper circulating in the district, at intervals of not less than one week. Within one month after the last publication of such notice any twenty resident owners may in writing delivered to the secretary, demand that the proposition be submitted to the vote of the resident owners of rateable land situated within the district. Thereupon a poll shall be taken in manner prescribed by the Road Districts Act, 1919, and the decision thereat shall be binding on the local authority for a period of at least twelve months. 'Resident owner,' in this section, means any person residing within the boundaries of a local authority, and entitled to a legal or equitable estate or interest in fee simple therein."

Hon. J. M. MACFARLANE: I voted for the reinstatement of Subclause 1 on the understanding that the amendment would be moved. I was opposed to the subclause, but the amendment will clarify it. The City Council objects to Clauses 27 and 28, but as there are municipalities desirous of taking advantage of those clauses and as the amendment will safeguard the position, I offer no objection.

Hon. J. NICHOLSON: Mr. Macfarlane is under a misapprehension. The amendment would not meet requirements, but would result in hopeless confusion. Under the Road Districts Act there is a definition of "resident owner" that does not apply under the Municipal Corporations Act. The poll will be taken as prescribed in the Road Districts Act. Why should that apply to a municipality?

Hon. A. Lovekin: Insert the words "and the Municipal Corporations Act."

Hon. J. NICHOLSON: Municipalities have their own method of taking a poll.

Amendment put and passed.

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

Ayes	..	..	7
Noes	..	..	8

Majority against .. 1

AYES.

Hon. J. M. Drew	Hon. A. Lovekin
Hon. E. H. Gray	Hon. H. A. Stephenson
Hon. J. W. Hickey	Hon. J. M. Macfarlane
Hon. W. H. Kitson	(Teller.)

NOES.

Hon. E. H. Harris	Hon. J. Nicholson
Hon. J. J. Holmes	Hon. H. Seddon
Hon. Sir W. F. Lathlain	Hon. H. J. Yelland
Hon. G. W. Miles	Hon. V. Hamersley
	(Teller.)

Clause thus negatived.

Progress reported.

House adjourned at 9.18 p.m.

Legislative Assembly,

Thursday, 3rd November, 1927.

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

QUESTION—DRIED FRUITS BOARD.

Mr. SAMPSON asked the Minister for Agriculture: In view of the provision in the Dried Fruits Act, 1926, whereby an election in order to determine the membership of the second board must be held prior to the 31st December of this year, will he advise proposed method of conducting the election?

The PREMIER (for the Minister for Agriculture) replied: The relations governing the method of conducting the election in connection with the Dried Fruits Board were published in the *Government Gazette* dated 28th October. Copy of the regulations is attached hereto.

QUESTION (3)—RAILWAYS.

Lake Brown-Bullfinch.

Mr. GRIFFITHS: asked the Minister for Works: 1, Is it the intention to build the Lake Brown-Bullfinch railway in its en-

tirety? 2, Is he aware of the rumour that it will be built only as far as Jeelakin town-site for the coming harvest?

The MINISTER FOR WORKS replied: 1, Yes. 2, There is so much real work to be done that Ministers have no time to concern themselves with rumours.

Resumption for Improvements.

Mr. GRIFFITHS: asked the Minister for Railways: 1, Is he aware that his department resumed land from Mrs. Soden for railway improvements twelve months ago and so far no settlement has been made? 2, Will he hurry up a settlement?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, The settlement has been so "hurried up" that it has anticipated the hon. member's question, as Mrs. Soden's claim as amended has been approved and she has been so advised.

Cunderdin and Kellerberrin Stations.

Mr. GRIFFITHS asked the Minister for Railways: 1, Is he aware that the wretched lighting of Cunderdin railway station calls for some improvement? 2, Is he also aware that the lighting plant at Kellerberrin is now duplicated? 3, Will he take steps to bring about an improvement at both centres?

The MINISTER FOR RAILWAYS: 1, No. 2, No. 3, The question of providing electric light at both Kellerberrin and Cunderdin has been gone into, but up to date a suitable supply is not available.

BILL—MENTAL TREATMENT.

Read a third time and passed.

BILL—STATE INSURANCE.

Second Reading.

Debate resumed from the previous day.

MR. BROWN (Pingelly) [4.37] I must admit that I rise with some diffidence after having listened to the eloquent speech made by the member for Guildford (Hon. W. D. Johnson) last night. I was at a loss to know whether he was speaking on State insurance or on wheat pooling. However, I will endeavour to say a few words about State insurance. All members are aware that our party is against State trading concerns, but I can come to no other conclusion than that

this is another plank in the platform of the Government party to institute a new trading concern. During the past year the State has been operating on workers' compensation insurance and fire insurance. I am not going to say that the clients of the State office have taken out policies under coercion, for up to the present the rates have been all the same, and it is immaterial to the insurer what company he insures with, provided the rates are the same. Recently it was announced in the Press that all the associated companies had raised their premiums. The State, I understand, is still maintaining the old rate of 28s. 2d. per £100, but the companies have raised their rate to 47s. 6d.

Mr. Angelo: On what risk is that?

Mr. BROWN: Workers' compensation, I understand. However, that is their general rate. Up to the present the State office has not done a great volume of business. I have made inquiries and I find that if the State can maintain the rate of 28s. 2d. while the companies have to raise their rate to 47s. 6d., something must be radically wrong.

Mr. Angelo: It is your information that is wrong.

Mr. BROWN: I have endeavoured to get a few facts about workers' compensation insurance, and I find the companies have made a loss in nearly every instance. Take a few individual cases. In the insuring of farmers it costs the companies £114 for every £100 received. For men at the gas works it costs £112.

Mr. Angelo: Does that refer to Parliament?

Mr. BROWN: I know there is a lot of gas generated here, but I have not heard of any casualties amongst members. Evidently the gas they generate does not hurt them. In respect of ironmongers, it has cost the companies £108 for every £100 received. On the same basis the costs have been as follows:—Laundresses £377, metal ceiling workers £138, plumbers and gas fitters £105, quarrymen £108, road makers £130, timber workers £123, white lead workers £263, workers in asbestos factories £235, commission agents £146, builders £115, butchers £114, bark mill workers £248, and bank employees £95. There we have a profit of £5 per £100. Of course, there is hardly any loss to be expected there, except when some fanatic comes along and shoots a bank official. The cost per £100 for insuring barkers and sandalwood getters is £191. These losses are quite independent of the working expenses of the offices.

Mr. Angelo: What causes the losses?

Mr. BROWN: It is because the premium of 28s. 2d. per £100 is an impossible rate.

Mr. Angelo: But if it was sufficient two years ago, why is it not sufficient now?

Mr. BROWN: The amended Act has been in operation only two years. These are the returns for two years of business. If this is going to be the ratio of loss, I fail to see how the Government can carry on by asking 20 per cent. less. We know what human nature is. If a farmer can save 20 per cent., naturally he will go to the company offering that advantage. We have something like 60 insurance companies operating in Western Australia. When a company takes heavy insurance on certain policies it re-insures the risk with other companies. If the Government were embarked in a large way in insurance, with whom are they going to save themselves?

Mr. Mann: With whom did they save themselves last year?

Mr. BROWN: They will save themselves out of Consolidated Revenue. If their collective losses on insurance should be heavy and their offices not in a position to pay all the claims, they will fall back on Consolidated Revenue. It is provided in the schedule that the Minister has power to fall back upon revenue and to fix the rates at any time. What guarantee have we that the Government will retain the present premium of 28s. 2d., when they have power at any moment to raise it to a figure that will pay them?

Mr. Chesson: A contract would stand for 12 months.

Mr. BROWN: I understand that the companies working on a premium of 47s. 6d. allow for a profit of only 7 per cent. We must take the law of averages. Anyone who rushes into business without considering the pros and cons of it must fall to the ground. The companies have worked the business out on the law of averages, and charged premiums that give them a return of 7 per cent. Although we have these companies operating in the State the Government are talking of establishing this other trading concern. The Premier said the people demanded it and required it. I do not think that is so. The companies have given satisfaction in the past. If a storm or a fire comes along, and an accident or a death occurs, a settlement is effected under the workers' compensation provisions quicker than it would be done in a Government office. A certain amount of

red tape attaches to all Government offices, and it takes a considerable time to finalise matters there. The companies can bring about a settlement almost immediately. I know of cases of hailstorms having occurred, and of the company adjusters having been able to settle the matter in two days. I do not suppose the Government office could work as rapidly as that. The matter would have to go through many departmental hands, and before a settlement was arrived at considerable time would be lost. If the companies had been exploiting the public, I should have been in favour of State insurance, but nothing has happened to indicate such a thing. In New Zealand the State Insurance Office is doing no great volume of business. Thirty-five companies are operating there and the State has only 10 per cent. of the business. I take it the premiums there are the same in both instances. If the Government of this State are going to work for 20 per cent. less than the companies charge, according to my figures disaster must ensue. The intention of the Minister is to take all sorts of insurances. It may be that the Government will make up in one direction for the losses they incur in another. The figures, however, are alarming, for I have every reason to believe they are authentic. If the Government remain on the rate of 28s. 2d. they must face trouble. I think it would be practically impossible for them to carry on the business at that rate. I understand the Government were induced to bring down the Bill because the companies would not take on miners' diseases risk. We are told that the Government had no alternative but to introduce this system of State help in the case of insurances for miners' complaints. I am given to understand, however, that the companies had no opportunity of quoting for the business. When £4 10s. per cent. is not sufficient in the case of miners' diseases there will be a tremendous loss to the Government if they do not increase their premiums. I do not think the Government are in a position to work a business concern like this as cheaply as the companies can do it. I have been given to understand that even the unions on the goldfields are not satisfied with the way in which the Miners' Phthisis Act is being administered. I have here references to this matter taken from the "Westralian Worker," which is the official organ of the Labour Party. These statements must, therefore, be correct. When

things are not going all right this paper has the courage of its convictions to tell the public what the anomalies are. On the 30th September of this year the "Worker" stated—

Industrial disease claim. Ted James died from phthisis on the 11-7-27. A claim was made, being the first claim of this nature. The claim has been admitted. The union has been advised that the Government has decided not to recognise any claim from men out of the country for 12 months. Two men were out of employment and deprived of rights under the Miners' Phthisis Act. The secretary stated that they would have to take a determined stand, for the next who took work and went away are now deprived of both work and compensation. Mr. Karnag said it was scandalous for the Government to shelter themselves behind a clause. The executive decided to protest against the State office going to the laboratory and obtaining confidential information.

On the 28th October the "Worker" also stated—

Claimants incapacitated by disease face difficulties nigh insurmountable. Take the case of Patrick Kennedy. The State office inspected the medical certificate. This is a right that the State office operating never neglected. Dr. Nelson reported against the man, and was induced to retire. Another doctor was appointed. The new board ruled in favour. A further application proved fruitless. Mr. McKennay then interviewed the manager of the State office. That interview was without result, except that it disclosed that the State office had called for an independent report from each individual member of the board. Mr. McKennay protested. The chairman of the board upheld his protest. Then another meeting at which three questions were submitted by the State office was held. Mr. McKennay was refused the right to submit one question. The unions are seeking legal advice, and it is their intention to fight it to the last ditch.

Mr. Marshall: That has nothing to do with insurances.

Mr. BROWN: If the Minister is not administering that Act satisfactorily, I fail to see how he can administer the insurance Act to the satisfaction of the public.

Mr. Marshall: They are two different things.

Mr. BROWN: After reading the alarming figures given by the Minister for Mines, I can come to no other conclusion than that the Government will suffer tremendous losses unless the premiums are increased. It is not advisable to destroy private enterprise. Private concerns bring money into the country. It takes all sorts and conditions of people to make a world. At times insurance companies make considerable losses. On occasions a big fire may almost bring an insurance company to a state of failure. I

do not suggest the State Insurance Office would go insolvent, but its operations must lead to tremendous losses if the volume of business is great. I leave it to members to draw their own conclusions. In the face of these figures, is it advisable to establish another State trading concern when there is no need for it? In young countries it is impossible to do without some Government services. The opening up and development of land must be done by means of railways. We also require steamers and other things. The Government should not enter into all avenues of business, because there is no justification for their doing so. Queensland indulged in many State trading concerns, but even the Labour Government there are recognising that it is impossible to carry them on at a profit. Those concerns have been working at a loss and the people have said they do not want them. An endeavour is now being made to dispose of those trading concerns. In our State we had fish shops and butcher shops. They died a natural death, because private enterprise showed it could run the business cheaper than the Government could do it. When it is a question of competition people always go to the cheapest place. The more custom the State Insurance Office receives the greater will be its losses. For the last two years under workers' compensation the companies have sustained a loss, and if the Government work the business at 20 per cent. less than the companies, I shall be surprised if they do not make enormous losses. I was greatly struck by the remarks of the member for Guildford. He said he was speaking from the humanitarian point of view and in the cause of humanity. He went around the farmers and said, "You are selling your wheat too cheaply. You must combine together and put your produce on the market and keep the price up to a certain figure." I am a strong wheat pooler myself; otherwise I should not oppose State insurance on behalf of the companies. For the life of me, however, I cannot see where the arguments of the member for Guildford (Hon. W. D. Johnson) come in. Take his own electorate, which grows no wheat, being a constituency entirely composed of workers. After a while, thanks largely to the hon. member's efforts, the price of bread will go up, and then he will have to go to his electors and say to them, "I have succeeded in putting up the price of bread by 2d. per loaf." Where does humanity apply in that case? The hon. member speaks for humanity in one direc-

tion, and puts up prices in another. I shall not discuss the Bill at great length, because it has already been traversed by various speakers, and I could only repeat their observations. I would, however, urge the Government to be careful in this matter. I fail to see that they can engage in insurance of the many classes of employment without considerable loss. I know the Bill is likely to pass here. I do not look on it as a party measure altogether, and if I thought it was in the interests of the State, then even though I sit on this side of the House I would support the Bill. I fail, however, to recognise any present necessity for the measure. In view of the losses I have quoted, my advice to the Government is to proceed carefully; otherwise they will have to raise their premiums to the level of those charged by the companies. In that case there would be fair competition and insurers would have a choice as to placing their business. If the Government maintain their premiums at a level 20 per cent. below those of the companies, there will be considerable losses to the State, as evidenced by the illustrations I have cited.

MR. KENNEALLY (East Perth) [5.3]: The previous speaker asked what guarantee there was that if the Government commenced insurance they would maintain premiums at their present level. It is not impertinent to ask whether there is evidence that where Governments have introduced State insurance they have not conducted the business at lesser rates than those which characterised the private insurance companies' operations. As for the figures quoted by the hon. member, they are, to use his own expression, *alarming*; but *alarming* why? Because, the hon. member says, they disclose a tremendous loss to the companies. If that is the case, why are the companies and their friends fighting so strenuously to retain the opportunity to lose more money?

Mr. Marshall: The companies are philanthropic in character, and do the work of insurance for nothing.

Mr. KENNEALLY: After all, State insurance is not a special preserve of Labour Governments. It has been more frequently introduced by anti-Labour Governments than by Labour Administrations. Therefore it is possible to regard the question not from the aspect erroneously mentioned by the member for Katanning, that State insurance is State trading, but rather from the aspect whether State insurance is in the interests of

the country, whether the people would be likely to benefit from State insurance. The insurance position here, as has been mentioned, is that some 60 companies are operating in Western Australia, and that, except in the case of two or three of them, the profits they make go outside this State. Hon. members on the other side of the Chamber, in opposing the Bill, simply say, in effect, that they favour a policy whereby it will be possible for money to be made in Western Australia by companies which in the main spend that money outside Western Australia. The administrative expenses which characterise the companies' operations are in themselves sufficient to warrant the State in embarking on the insurance business. The main argument used against the passage of the Bill is that it would mean the State would be a loser and Consolidated Revenue would have to meet insurance losses. An attempt has been made to buttress that argument by pointing out that the administrative expenses of the companies, combined with the claims they have to pay, have been such as to cause them severe losses. When that contention is raised, it is a fair method of argument to analyse for a while the position in countries where State insurance has been established, with a view to ascertaining in the first place, what losses have been incurred by the States concerned, and then whether there has been that large call upon Consolidated Revenue which is predicted by hon. members opposite in the event of the Bill passing, and whether as the result of State insurance operations any relief has accrued to compulsory insurers. Analysing the position from that standpoint, we find that where the State has instituted insurance, that move has invariably been followed by reduction, not increase, of the premiums charged, and also by higher rebates to insurers. In many instances State insurance has been succeeded by similar decreases on the part of private companies, which, finding that the State was able to carry on with reduced premiums, had to go in the same direction in order to compete. Is not that what the friends of the farmers desire? Are not the farmers anxious to insure at as low a rate of premium as practicable?

Mr. Latham: This would be the first business of the kind engaged in by the Government if those were the results.

Mr. KENNEALLY: I say not only that it may be so, but that it has been so.

Mr. Latham: It may be the case in Victoria, but not in any other State.

Mr. KENNEALLY: I will examine that contention directly. Dealing with this matter, we have got beyond the stage of surmising as to results. We have the actual experience of countries that have adopted State insurance, and of Governments other than Labour Governments, that have operated State insurance. Take the position in this State, for a commencement, for the three years from 1922 to 1925 inclusive. Companies operating in workers' compensation received in Western Australia premiums totalling £337,193, the claims they were called upon to pay amounted to £170,874, and their administrative expenses were £123,305—36 per cent. of the revenue thus going in administrative charges. Let me move from that aspect for a moment to deal with the total insurance premiums received by those companies from all classes of insurance business. For the same years their revenue from all classes of insurance amounted to £2,261,499; the claims totalled £351,075, and the administrative expenses were £949,521. It is plain that 42 per cent., approximately, of the total revenue was absorbed by administrative charges. We are told that if the Government introduced State insurance here—

Mr. Latham: It has been introduced.

Mr. KENNEALLY: I am glad of that interjection. State insurance has been introduced here and is showing a profit. Before concluding I hope to show the member for York (Mr. Latham) that not only have the Government shown a profit from State insurance, but that individual Government departments have shown profits on their own insurances before ever State insurance was instituted. Are we not entitled to go on the actual facts before our eyes?

Mr. Latham: Where did you get that information from.

Mr. KENNEALLY: I shall let the hon. member know that, if he will be patient. The Queensland Government introduced State insurance in 1916. As against the percentages of administrative charges I have just quoted, with regard to both workers' compensation and general insurance, the Queensland Government's cost of administrative expenses was only 15 per cent. Fifteen per cent. as against 36 per cent. and 42 per cent.! I suppose I shall be told that, after all, the Queensland Government did not do the right thing, did not set out the right amounts, but tried to get round the actual figures in

some manner or other, as otherwise they could not claim to do the business at a cost of 15 per cent.

Mr. Latham: They used the civil servants, did they not?

Mr. Sampson: Are not those percentages shillings per cent.?

Hon. G. Taylor: Yes, 30s. per cent.; not 30 per cent.

Mr. KENNEALLY: No. The administrative charges are 36 per cent. of the total amount of premiums received in respect of workers' compensation. I have quoted the amounts and shown the percentages. I am glad the member for Swan (Mr. Sampson) spoke for a moment, because his main concern while the Premier was introducing the Bill seemed to be that the State Insurance Office did not pay any rent. He was most anxious to know whether that office paid rent.

Mr. Sampson: The Government do not face the expenses that insurance companies have to meet.

Mr. KENNEALLY: If that is so, if the Government can, without paying any additional rent, use existing State activities for State insurance purposes, what argument is there against giving the people who insure in this country the benefit of being relieved from the cost of additional rent? Would the member for Swan say that the State Insurance Office should be charged additional rent in order to pass that charge on to insurers?

Mr. Sampson: We want all competitors to be on the same basis.

Mr. KENNEALLY: To make a comparison we must have some idea of the benefit that will be conferred upon insurers. If we can confer an additional benefit upon them thanks to the Government not having to duplicate offices, not having to charge additional rent, not incurring additional overhead charges, it is our duty, as representatives of the people, to give the people themselves the benefit of State control of an industry such as this.

Mr. Sampson: I gave an example of the splendid treatment, the very honourable treatment, meted out by an insurance company.

Mr. KENNEALLY: Dealing with the insurance scheme in Queensland, I want to draw the attention of hon. members to the fact that prior to the inauguration of State insurance there, out of every shilling re-

ceived in premiums, 4d. went in claims and 5d. went to the companies.

Hon. G. Taylor: That is two-thirds.

Mr. KENNEALLY: Yes. The State Governmental methods of conducting insurance matters there has resulted in a complete alteration because 10d. out of each shilling goes back to the people who insure and 2d. only is used for administrative expenses and the building up of reserves. I ask hon. members, in view of those facts, whether it is not necessary to effect an alteration in this State in order to give our farmer friends, for instance, an opportunity to avail themselves of this comparatively cheap insurance?

Mr. Latham: They have not a monopoly in the other States.

Mr. KENNEALLY: That is an argument in favour of the Government having a monopoly.

Mr. Latham: They are not all senseless and unreasonable, otherwise the people would not insure with them.

Mr. KENNEALLY: We have to consider whether the intense loyalty of Opposition members to the insurance companies in this State warrants them, seeing that they purport to represent the farmers of the State, in withholding this opportunity from the agricultural community.

Mr. Latham: You have made a mistake. It is our loyalty to the taxpayers, not to the insurance companies.

Mr. KENNEALLY: If the hon. member claims that they are loyal to the taxpayers, it is worse still, for they should not be disloyal to the taxpayers or to the farmers by opposing the Bill. Let us go further with this argument and discuss the position that has arisen where insurance has been introduced other than by companies. Let us take the Workers' Compensation Fund that was introduced under the administration of the Government Actuary in 1913. That fund had no capital upon which to draw. It did not tap the Treasury, so that no money came from Consolidated Revenue in order to give the fund a start. What do we find as the result of the operations of that fund? Starting with no capital and drawing upon the Treasury for no money—incidentally the fund charged in some cases half the amount of the premiums levied by the underwriters' log and sometimes the premiums were a third of the underwriters' rates—we find that to the end of June, 1925, there was a reserve fund of £50,000. Under their regulations, all the money in excess of that reserve had

to go into Consolidated Revenue, as the result of which Consolidated Revenue benefited to the extent of £12,300. Members opposite have asked for instances to demonstrate that State insurance has been beneficial. Are members opposite, by their votes, to indicate that the profits I have mentioned shall be regarded as the special preserve for private companies? Are they to say that private companies shall be permitted for any longer period to operate in Western Australia, with the advantage of these profits as their particular preserve? I hope hon. members will afford us no such indication. I draw the attention of hon. members to the operations of the Workers' Homes Board under the heading of insurance. Later on I will refer to the position of the Commonwealth War Service Homes Board. Over a period of 12 years the premiums paid in respect of leasehold properties to the Workers' Homes Board amounted to £4,181, whilst for a period covering 11 years freehold property controlled by the board contributed £29,657, making a total paid to the board of £33,838. During the periods I refer to—11 years for freehold and 12 years for leasehold—the total payments for claims and so forth amounted to £2,000, leaving a total profit of, in round figures, £31,000 out of a revenue of £33,000. I am endeavouring to point out that in instances where insurance of this description has been introduced, it has not cost the State any money at all. On the contrary, it has been of financial benefit to the State. The Bill proposes that the position will be altered so that the State will receive the benefit of the whole of that class of insurance. If other companies are permitted to compete, where is the cry that the Government cannot compete against private enterprise? They say that whenever the Government tackle a proposition, private enterprise can do it better. If the Bill does not set up a monopoly, it is in the interests of the people that the position should be rectified.

Mr. Latham: God help us if it did provide for a monopoly!

Mr. KENNEALLY: Now let us consider the position regarding the War Service Homes. Operations under that heading show that the total revenue to June, 1926, was £140,200, while the total expenditure, including claims and so forth, was £48,750, leaving a surplus of £91,450. Are we to hand that over deliberately to the private companies?

Mr. Marshall: And foreign companies, too.

Mr. KENNEALLY: Are we to hand over that money, most of which will be spent outside the borders of the State, or are we to inaugurate a policy here that will enable the State to conduct insurance business and thus save money for the people. Are we not prepared to do that?

Hon. G. Taylor: What have they to say about that?

Mr. Marshall: Some of you have not a word to say. The taskmaster has cracked the whip over you, and you cannot vote for the Bill.

Mr. E. B. Johnston: Are they not Australian companies?

Mr. KENNEALLY: That is so.

The Premier: But not Western Australian companies.

Mr. E. B. Johnston: There is one Western Australian company.

The Premier: Yes, one out of sixty.

Mr. KENNEALLY: We are big Australians, but I hope we are big enough to see that the people of this State are so protected that they shall retain the profits rather than that they shall be handed over to private companies and sent to other States. While we are all big Australians, we must first look after the interests of our own State and its material progress. When we have paid attention to the prosperity of our own people, we will naturally desire to carry that attitude into the wider Australian sphere. Let me remind our farmer friends of the position of the Industries Assistance Board in relation to insurance matters. In the course of eleven years, the I.A.B. paid to the insurance companies, on behalf of farmer clients, £245,330 for insurance against fire and hail.

Mr. Latham: For the farmers?

Mr. KENNEALLY: Yes. During that period the claims paid by the companies amounted to £102,993, leaving a surplus of £142,337.

Hon. G. Taylor: There was not much margin in that for profits!

Mr. KENNEALLY: Only £142,337 on a turnover of £245,330.

Mr. Latham: What did the I.A.B. receive as rebate?

Mr. KENNEALLY: That is the position we have to face. Had the legislation that is now before us been passed prior to the commencement of that period, a very large

proportion of that £142,000 would have been retained in the pockets of the farmer clients of the I.A.B.

Mr. Latham: But have not the insurance companies paid out large amounts?

Mr. KENNEALLY: I have indicated that they paid out £102,000 on account of claims.

Mr. Latham: That is, the people received that amount back.

Mr. KENNEALLY: I have already given the member for York (Mr. Latham) the information he has sought. Had this legislation been effective during the currency of that period, the farmers, whom the member for York and others are supposed to represent, would have benefited to the extent of £142,000, less administrative expenses.

Mr. Latham: The farmers of York have told me to vote against this Bill.

Mr. Marshall: Because they have been misled.

Mr. Latham: I am the spokesman of those farmers, and if you insult me, you insult them.

Mr. KENNEALLY: I am convinced that most of the farmers who have told the member for York to vote against the Bill are to be found in the vicinity of St. George's-terrace. In the circumstances, when hon. members say that farmers have told them to vote against State insurance, it demonstrates one of two things. Either the farmers have not been told the true position regarding State insurance where it has been in operation, or the farmers are in a position to pay the amounts charged by the private insurance companies. The latter are not the farmers who are particularly interested in State insurance. Last night, when the Mining Estimates were being discussed, many references were made to the position of the mines. We were told by the Leader of the Opposition and hon. members opposite that the miners must receive every consideration. The Government introduced legislation in an endeavour to extend that consideration, but they were confronted with the fact that their legislative provisions were altered so that the miners were not able to receive the full benefit. It is within the memory of hon. members that various conferences were held in an endeavour to arrive at an agreement by which the charges made for the accommodation provided in the legislation, could be fixed. They know that those conferences were abortive, because the companies that had the right to levy the charges

said that they would have to be considerably increased as the result of the Government's proposals.

Mr. Griffiths: Did not the Government refuse to supply the information to the companies?

The Minister for Mines: No, they did not.

Mr. KENNEALLY: The hon. member knows that his statement is not correct.

Mr. Griffiths: That is not so.

Mr. KENNEALLY: The hon. member has not paid attention to the information that was supplied to him. There is none so blind as he that will not see.

Mr. Griffiths: That is smart.

Mr. KENNEALLY: I mentioned that the interests of the miners have to be considered. As a matter of fact, not only the interests of the miners but the interests of a large number of employers are wrapped up in this proposal, because the employers have to comply with the amended legislation. As pointed out by the Premier, the companies decided to increase their premiums, and after mentioning something in the vicinity of £20 per cent. to cover insurance respecting disease, they decided they would have nothing to do with the business.

Mr. Marshall: They would not give a quote.

Mr. KENNEALLY: On the other hand, the State is still doing the business and charging the same £4 10s. per cent. on disease risks that was charged previously. Has the State yet been called upon to pay out of Consolidated Revenue?

Mr. Latham: We do not know.

Mr. KENNEALLY: There is a method by which the hon. member might ascertain.

Mr. Latham: I have not seen the balance sheet yet.

Mr. KENNEALLY: When this Bill has been passed and the Government office has been put on a proper footing, we shall find that the State business will permit of the accommodation being given at the present rate of premium. Certainly it will not be necessary for the State to jump its premiums so high as the private companies jumped theirs in order to extract undue profits from the people. What are those premiums? The companies' rates were increased from £2 17s. to £4 5s. 11d. per cent. I hope members opposite will endeavour to justify that increase before they vote against this Bill.

Mr. Griffiths: Judging by the figures quoted last night, it was justified.

Mr. Marshall: That had nothing to do with the figures quoted last night.

The Minister for Mines: Those figures related to the Miners' Phthisis Act.

Mr. KENNEALLY: While the companies have increased their premiums from £2 17s. to £4 5s. 11d. per cent., the State still has out its sign, "Business as usual at £2 17s." Are members opposite, in voting on this Bill, going to compel employers in the mining industry to pay £4 5s. 11d. to the companies as against £2 17s. to the Government?

Mr. Latham: I understand the Government are paying it.

Mr. Marshall: They are not paying anything of the sort.

Mr. KENNEALLY: That shows the hon. member has not followed the subject.

Mr. Latham: We have only the newspaper reports.

The Minister for Mines: The newspaper did not say the Government were paying.

Mr. Latham: I saw it in the "West Australian."

The Minister for Mines: The "West Australian" reported it correctly.

Mr. KENNEALLY: Are the same members who spoke so glibly last night about protecting the miners now, by their votes, going to deny the miners the protection of insurance? The companies have refused to quote, and are they to be protected to the extent of keeping to themselves the business they are willing to quote for and a free opportunity to increase their premiums as much as they wish to make the business more remunerative? The figures of the State Insurance Office indicate a profit of £1,400, a considerable amount in view of the fact that it has been made on the class of insurance that the companies say entailed them in heavy loss. If we can accept the companies' figures, they sustained a loss of £25,000 a year on the same class of business in which the State office made a profit of £1,400. If that is so, why the desire on the part of members opposite to compel the companies to continue making a loss of £25,000 a year, when the State office can not only show a profit but can give the service for a lower premium than the companies are charging?

Mr. Latham: We have had experience in the past of the cheapness with which the Government can do things!

Mr. KENNEALLY: Of course we have.

Mr. Latham: You ought to look at the balance sheets of some of the trading concerns.

Mr. KENNEALLY: State insurance must necessarily be beneficial to the community. In the first place, it means smaller overhead charges. The member for Swan pointed out how some of the overhead charges were reduced when the State undertook the business, and he complained on that score.

Mr. Sampson: The overhead expenses in some instances are paid directly by the Government.

Mr. KENNEALLY: Lower overhead charges have been the experience of other places where State insurance has been operating for years, and should not we extend the benefit to our people? Are the interests of a few individuals who, as a rule, do not spend their money within the State, to be given prior consideration, and are the Government to be prevented from engaging in this business in order that it may be reserved for private enterprise?

Mr. Sampson: How is it possible for the Government to make up a loss of £2 10s. per £100?

Mr. KENNEALLY: The hon. member is indulging in the pastime of raising windmills and knocking them down. There is no £2 10s. per cent. loss.

Mr. Sampson: There is the payment of the companies to show it.

Mr. KENNEALLY: If the 2½ per cent. can be more than trebled by the benefit conferred on the people, is it not right that they should enjoy that benefit?

Mr. Sampson: The member for Pingelly showed that there had been a loss on workers' compensation business.

The Premier: By the companies.

Mr. KENNEALLY: If the companies have sustained losses on the business, it has not been shown why the losses occurred.

The Premier: But we made a profit out of the same rates.

Mr. KENNEALLY: Yes, and in some instances out of lower rates. If the tremendous loss that the member for Pingelly described as alarming has occurred, why the necessity for the companies to continue to make that loss when the State can give the accommodation at lower premiums and show a profit?

Mr. Sampson: Because the hon. member is opposed to the principle of State trading.

Mr. KENNEALLY: Now we are getting

the explanation. The truth of the matter is that members are opposed to State insurance on the ground that it is a State trading concern. The member for Swan infers that even if the Government can show a profit when charging lower premiums, the hostility of the Opposition to State trading is sufficient to justify them in opposing the Bill, even though the people represented by members opposite suffer in consequence. The greater benefits that will accrue from State insurance have been made manifest by the figures I have quoted. The smaller premiums charged by the State must mean an additional benefit to the people.

Hon. Sir James Mitchell: Do not forget the State has done only workers' compensation business.

Mr. KENNEALLY: Let me remind the Leader of the Opposition that, according to the companies, workers' compensation is the one class of insurance on which they have made losses.

Mr. Marshall: They said it was not worth having.

Mr. KENNEALLY: The companies say that is the class of insurance on which they made a loss of £25,000 for the year.

The Premier: That is so.

Mr. KENNEALLY: Reference has been made to the extension of State insurance proposed under this measure. Do members opposite desire to confine State insurance to the class of business that the companies say is the one class on which they have made a loss? If we are to have State insurance, why should we be limited to workers' compensation insurance? If the State has to go to the assistance of people compelled to insure in order to comply with the new legislation, why should it be restricted to that class of business? If it is good enough for the companies to engage in the profitable classes of business, why should not the State do likewise?

Mr. Sampson: Do they limit their operations to workers' compensation insurance?

Mr. KENNEALLY: No. The State office does not go in for life insurance. This Bill will enable the State office to extend its operations. If the Bill be passed, naturally the State office will be able to engage in other insurance business except life insurance, and I hope that will be done shortly. State insurance is not a new question in this House. I find that the question of State insurance was dealt with in this House as far back as the year 1921, when the following resolution submitted by the

member for Yilgarn (Mr. Corboy) was carried by a majority of six votes:—

That in the opinion of this House it is desirable that the Government should immediately do all things necessary to establish a State life, accident, sickness, fire and general insurance office.

At that time the gentlemen now sitting in Opposition were in possession of the Treasury bench.

Mr. Sampson: And the member for Yilgarn made one of the best speeches ever heard on this subject.

Mr. KENNEALLY: I find from the records that the matter was exhaustively discussed, and when the vote was taken—do not forget that it was comprehensive and went even further than the present Bill goes—it was carried by a majority of six votes. Some of the members who to-day are opposing the Bill were amongst those who voted in favour of the motion. There are reasons for the change. I understand that in one case a member who then supported the introduction of State insurance has since become a director of an insurance company. We may therefore expect to have his opposition to the Bill. After all, should it not be the interests of the people rather than the interests of an insurance company that should be studied by members of this House.

Mr. Sampson: You are not justified in making such a statement until you see how the votes are cast.

Mr. KENNEALLY: I am justified in referring to the fact that on that occasion some members opposite voted in favour of the proposal that went much further than the suggested legislation we are now discussing. Is it not reasonable therefore to say that as the Bill goes no further than the resolution that was carried in 1921, and that as nothing has happened in the intervening years, the proposal should again receive the support of members generally. I hope the Bill will be carried in this House.

Hon. G. Taylor: There is no doubt about that.

Mr. KENNEALLY: I hope that even those members who are opposed to State trading concerns will realise that the question of insurance can be judged apart from State trading and that the figures show that State insurance, if inaugurated in Western Australia, will be beneficial not to one section, but to all sections of the community who have to deal with insurance. As it is calculated to give relief to all, it is reasonable to suppose that it should command the support of every member of the House. If

members opposite cannot show that it is going to be detrimental, that the figures quoted respecting those places where State insurance is in operation are not correct, it is their duty to give the Government the opportunity to place the Bill on the Statute-book. I have much pleasure in supporting the second reading.

MR. GRIFFITHS (Avon) [5.50]: I unhesitatingly oppose the second reading of the Bill. Unlike the Premier, about whose mandate there seems to be an uncertainty, I received a definite mandate from my constituents to oppose this form of State trading. In my opinion it is opposed to the best interests of the State. I realise that it is a plank of the socialistic platform of members opposite, and I realise further that it is the first step towards the nationalisation and general taking over of bigger interests. What is going to be the end of all this? We are building up bureaucratic control. Everything is being given over to boards or to departments and those associated with the departments are all trying to create sub-departments, so that more individuals will have greater power and will be able to build up staffs around them. As someone said to me recently, yesterday it was the meatworks with unhappy results, to-day it may be State insurance, and to-morrow perhaps drapery. Where is it all going to end? State trading has proved unpopular from the word "go." We have endless illustrations of what has happened to the various ventures in this country and in other countries. I have listened to the arguments for and against, and with a good deal of interest to some of them. The Premier put up figures that, on the first blush, seemed convincing, but the member for West Perth (Mr. Davy) demolished those figures badly a few evenings ago. It has been stated here that the Government made profits last year on a form of insurance in connection with which the companies lost something like £25,000. I would like to ask the Minister whether it is a fact that there were more cases contested by the State Insurance Office last year than by all the private companies put together. We must bear in mind that the State has at its command the services of the Crown Law Department to defend it, whilst the private companies, if they desire to contest a claim, are obliged to pay for the services of legal people. It has also been stated that whilst the insurance companies incurred losses in certain respects the State made big profits.

We are also told that the companies have made certain wise investments to cover their risks, and that the proper placing of those funds has enabled them to increase their profits considerably. If the State Insurance Office should show a loss, it will always have Consolidated Revenue behind it, and that is where the unfair competition on the part of the State comes in.

Hon. Sir James Mitchell: And do not forget that the State office pays no taxation.

Mr. GRIFFITHS: That is so. One of the pretexts for the introduction of this measure, we were told by the Minister, was the refusal on the part of the companies to accept miners' risks. So did the insurance companies of New Zealand and Tasmania. I asked by way of interjection whether it was a fact that those companies refused to supply information in this respect. We on this side are not in possession of statistics that Ministers are able to obtain. I have been told on the best authority that, at the time of the difficulty with the companies over miners' insurance, certain information was withheld from the companies. If that be correct, it is unfair now to accuse the companies of having refused to accept the risk. The member for West Perth the other evening stated he could not understand why there should be so much opposition, seeing that the State, in competition with private enterprise, got comparatively little of the business. I have had a lot of figures supplied to me which show that in almost every instance where State insurance has been introduced, the State office has not really got any very large share of the business. When the member for West Perth referred to this the Premier interjected, "Then why the alarm?" I was particularly alarmed because I thought that if the Government found they were losing money, they would readjust their rates and come into line with the companies. I should be sorry to see anything in the shape of a monopoly as suggested by the member for East Perth. Monopolies press unduly on the people. I have little more to add, but I wish to repeat, the Premier declared he had a mandate to bring in this legislation, and that I have an even stronger mandate from my electorate to oppose it.

The Premier: Then there is no doubt about yours, but there is a doubt about mine?

Mr. GRIFFITHS: I was rather surprised when I came to the House last night to learn that the member for Guildford (Hon. W. D. Johnson) had made a slashing attack on the Country Party, and he ad-

vanced a most extraordinary claim. I had to combat that claim at Merredin at the time of the general election. The claim was that he was the father of the wheat pool.

Mr. Lutey: What has that to do with State insurance?

Mr. GRIFFITHS: The hon. member went into my electorate and in various ways advanced that claim. I do not intend to deal with that matter at any length at the present time. I shall probably allude to it again at a future date, although I do not know whether it is worth fighting about. At the same time I will be able to prove from Federal and State "Hansard" that the hon. member's claim was not correct, but that William Morris Hughes was the moving spirit in connection with the wheat pool, and it was he who made it possible to initiate the scheme in Australia.

Mr. Lutey: It was initiated in this State and Hughes collared the idea.

Mr. GRIFFITHS: He was in England at the time. Anyhow this is not the right time to refer to that question, but I thought I would briefly combat it, seeing that the hon. member referred to it last night. I intend to oppose the second reading of the Bill.

MR. LAMBERT (Coolgardie) [6.0]: But for the remarks of the hon. member I would not have spoken on the second reading. Having listened to the able speeches put up in support of the Bill, what strikes me particularly is the remarkable statement made by the hon. member who has just sat down. He says he is opposed to monopolies. Yet, seemingly, he is prepared to subscribe to a state of affairs in respect of insurance in this country that should not be tolerated. Probably private enterprise has its virtues, and probably State trading has its disadvantages. But when we consider that there is no competition whatever in the insurance business in this State, we see that it is nearly time the Government brought down legislation that will afford some relief to people who have to use this service. In this State all the representatives of the insurance companies, entitled the Fire Underwriters' Association, hold pleasant afternoons at which they settle the rates to be paid by the unfortunate people who require insurance. And the rates in this State in some instances are about 33 per cent. higher than those in the other States of Australia. That is due solely to the fact

that for so long we have tolerated these people meeting together as a sort of mutual admiration society, where one says to another, "Well, Mr. So-and-so, what do you think we ought to make the unfortunate farmer pay?" It is not very hard at the meetings of this mutual admiration society, over a well seasoned cigar and perhaps a well filled glass, to come to some arrangement highly beneficial to the members of the company. Possibly there may be some reasonable objection to interference by the State in insurance business, or for that matter in any other service that is being efficiently carried out by private enterprise. But when we find these insurance people so foreign to the ordinary standard of trading as not to allow competition in this business, and meeting periodically to lay down the rates to be paid, it is time some remedy was devised. Will the representatives of the farmers' party say that the existing conditions are fair? There is too much of this mutual admiration society and its meetings. God knows, in this State almost everything that is sold or bartered is bartered or sold by arrangement as to price.

The Premier: There is no competition whatever.

Mr. LAMBERT: None whatever. I look with a slight degree of satisfaction to the ex-Minister for Works who, possibly, knows as much of the workings of the insurance companies in this State as does any other man. I remember some most damning indictments that he has delivered against the insurance companies operating in Western Australia. Why should we have this great regard for the foreign companies operating in this State? No doubt they are giving good service. I do not think they go out of their way to contest claims. But like the farmers and all other producers they should be forced into the open market to sell their services at competitive rates. If they were prepared to sell their services at competitive rates, possibly much that the Premier or anybody else on this side might say would be robbed of considerable force. But I do hope some regard will be paid to the people who are forced to take this service of insurance. Certainly we should have more regard for the people who have to use that service than for the foreign companies operating in this State.

Mr. E. B. Johnston: Most of the farmers insure with the Westralian Farmers, Ltd.

Mr. LAMBERT: I am pleased to hear it. I do not know whether they are in with the rest. But I remember that some years ago the Government were very considerate to the Westralian Farmers, allowing them to accept insurance and carry on underwriting for a considerable time without requiring them to put up the necessary deposit. It is not only that by State insurance we can police the insurance rates for the people of Western Australia; the whole of the accruing amount that is garnered by the insurance companies year in and year out, instead of being invested in foreign lands, could be better utilised to assist the great work of primary production in Western Australia.

Mr. Latham: Would you apply that to all industries?

Mr. LAMBERT: I believe we should not only apply to this purpose any profit made by the Government, but also their accumulated capital, using it similarly to that of the Savings Bank and the Agricultural Bank. It is only by this means that we shall become self contained, as are the other States. At present they are selling to us, and the balance of trade is unequal. But here is an opportunity for the Legislature to say that the money garnered in from the users of insurance shall be used for the people through the Government of the country, used for the development of Western Australia. And even if in the process we were to hurt some of the foreign companies, we should be doing very little harm while doing considerable good. I will support the second reading.

HON. G. TAYLOR (Mount Margaret) [6.9]: After that eloquent address by the hon. member there is scarcely any need for further debate.

The Premier: Oh, we want a little more support.

Hon. G. TAYLOR: Since there will be a division on the second reading, and as I have been an enthusiastic supporter of State insurance for many years past, I may say I intend to vote for the second reading. This side of the House has been attacked most strenuously, and I was included.

The Premier: No, I think there was a mental reservation in your favour.

Hon. G. TAYLOR: I did not know of it. At all events, that attack has not weakened my advocacy of State insurance. I

listened with amusement to the ramblings and ravings of the member for Guildford (Hon. W. D. Johnson), a veritable willy-willy of words. I heard the groanings of the hon. member as he essayed high flights of eloquence in his attempts to impress on the House his earnestness and enthusiasm for State insurance. He attacked everybody, and he spoke of everything from Dan to Beersheba—all on the question of insurance! Despite the hon. member, there is no principle at stake in this. We established State insurance last year beyond all doubt. The Bill was rejected in another place, but it is now brought down in a different form and will go much farther than did the Bill of last session. The hon. member is not going to deter me from voting for the second reading. The member for Guildford declared that during his election campaign he never failed to do what he could to influence the people to vote for State insurance. He said "I never failed to bring in State insurance, for I knew it was popular." We know that the hon. member always takes up popular cries. If I had adopted the same principle I should not be here supporting State insurance, for it is unpopular with the party with which I am associated. However, that will not deter me from recording my vote in the interests of the State. It would take a deal of argument to convince me that State insurance is another State trading concern. I have always advocated State insurance. Back in 1904, when I was a member of the Cabinet, I endeavoured to induce the then Premier, the late Mr. Daglish, to bring it in, but I was not successful. Again, on more than one occasion when Mr. Scaddan was Premier I suggested it to him, but he could not see his way clear to adopt the suggestion. I question very much whether the present Premier would have brought it in, but for the passage of the Workers' Compensation Act. The Premier admitted that he had very reluctantly introduced it and would not have touched it at all had the private insurance companies agreed to take the risks of the workers' compensation business. I listened with interest to the member for Guildford when he spoke so eloquently about the part he had played in the wheat pool. He said that what he had done was done in the interests of the farmers. Also he said he was representing humanity, whereas I was representing merely sordid interests. The object of the wheat pool was to secure for the farmer as big a price as possible for his

wheat, just as the object of unionism is to get for the worker as high wages as possible. We first fixed the price for wheat in Australia, and that has had an influence in keeping the price as high as it is to-day.

Mr. Lindsay: Nonsense!

Sitting suspended from 6.15 to 7.30 p.m.

Hon. G. TAYLOR: At the tea adjournment I was remarking that the member for Guildford laid claim to being one of the prime movers of the wheat pool. I was trying to point out that the object of the pool was to enable producers of wheat to get a reasonable price for their product, or as much as they could for it. I was saying what a person in a foreign country would think of Western Australia if he read our newspapers. Our Press is telling the world that with a population of about 370,000 people we have produced 30,000,000 bushels of wheat, and that almost of a certainty we shall be producing this year something like 35,000,000 bushels. What would that stranger in a foreign country think, after reading that, if he also read that we were paying 6d. for a 2lb. loaf of bread in a country that was capable of producing all that wheat? He would think that we were indeed a funny people. I do not know whether the humanitarian cry of the hon. member can be borne out when one probes into the matter.

Mr. Lindsay: And when only 25 per cent. of the price of the bread is in the wheat.

Hon. G. TAYLOR: I do not know that this has very much to do with State insurance, but one cannot allow remarks such as these to pass without comment. I have no fault with any combination of persons who form themselves into a party or organisation for their mutual protection. Any right thinking person will support that contention so long as those persons do not interfere with the liberty and privileges of other people while advancing their own interests. So long as they are not acting to the detriment of others, I have nothing to complain about concerning those who join any organisation. On that ground I have no objection to the wheat pool. I do not know whether that is any argument in favour of the Bill. I am supporting the Bill because after my 27 years of Parliamentary experience, and after having been a strong advocate of the State carrying on the industries of the State, and after helping on numerous occasions to put that principle into practice, I am con-

vinced that State insurance is the safest proposition the Government can take up. It is impossible for the State, I claim, to fail in the business from a financial point of view. We have tried other State trading concerns. This is a business—it is not a State trading concern—upon which the State can embark with every prospect of success.

The Premier: It is certainly not a State trading concern.

Hon. G. TAYLOR: It will not cater for any particular customers. The office will be opened and people, for their mutual protection and to safeguard their interests, will go to it to insure. If they do not desire to insure with the State office, they will go elsewhere. This Bill will not interfere with the liberties of the people. They will have exactly the same freedom as they enjoy to-day. The only difference will be that they will have the opportunity to join up with another insurance office.

Mr. Mann: Will it pay the same taxes as the insurance companies?

Mr. E. B. Johnston: Will it charge the same rates for insurances?

Hon. G. TAYLOR: I do not know what the rates are. I am not in the confidence of the Government.

The Minister for Mines: Suppose it did. What would be wrong with that?

Hon. G. TAYLOR: I do not know what the actuarial figures are. It is not worrying me whether the office will pay taxes or not. We know the State does not pay taxes. We know what is done by the companies. The officials in the head centres of the Commonwealth call a meeting and decide what they are going to charge their clients. They say, "We decide upon a certain fee for this year." There is no other place to which people can go. They must go to those companies if they desire to insure. It is a wise proposition to insure. If the Bill becomes law, the State will open its own office, and people may go to it if they like. If the State joins up with the happy family which meets every year to regulate prices, and we find that the people have not been benefited by the Act, I shall be one of the first to help to amend the law. I hope that members who profess to be ardent supporters of State insurance will use arguments in favour of it without trying to malign members on this side of the House. As one who has been a long time in Parliament, who has been in the rough

and tumble of debate, and who is rather modest and nervous, I must take notice of what is going on. I heard a remark this evening in defence of the Bill, a most uncalled for remark, made concerning a member on this side of the House. I presume it was intended for me. The remark suggested that that hon. member had supported the Bill last time it was before the House, but that, on this occasion, he would be found voting against it. The reason given was that since last year that hon. member had joined the board of directors of one of the companies. It has never been my lot to be a member of a board of directors to which fees are attached. I have been one of the directors of the Labour movement, but I have never received any fees for that office. I do not belong to the board of any insurance company. If I did I hope I would not be associated with anyone who would make a remark like that.

Mr. Kenneally: The hon. member's name does not appear on the division list I referred to.

Hon. G. TAYLOR: The hon. member said that one on this side of the House had supported the Bill last year, but he supposed he would be opposed to it this year for the reason stated. Whether I support the Bill or not, and whether the remark was made concerning me or any other member of the party who has since joined a board of directors, I say it was a very uncalled for remark to make across the floor of this House in defence of a Bill, for the existence of which there is so much justification. I will leave it at that. I have no desire to record a silent vote. I know the party with which I am associated will oppose the Bill to a man. They are opposed to it on principle. They have just as much right to their principles and views as I have to mine. While they can exercise that right and that privilege, I, as a member of that party, claim the same right and privilege. I am exercising that right and I know that not one member of the party has raised a single objection to my doing what I am doing. I tell my friend opposite who wishes to make me or any other member on this side of the House the object of his vituperation, that his remarks carry no weight. I treat them with the contempt they deserve. Any member who would resort to such tactics is not worthy of being in the Parliament of a country like this.

MR. J. H. SMITH (Nelson) [7.42]: I appreciate the fact that the Premier has admitted that he received no mandate from the people to bring down this Bill. Had he brought down one for national insurance he might have had a number of his one-time supporters backing him from this side of the House.

The Premier: What do you mean by national insurance?

Mr. J. H. SMITH: I would make it compulsory for people to insure against sickness, accident, and unemployment. I would make that apply to all the people of the State. If the Premier will bring down a Bill for national insurance, I will support him.

The Premier: I do not believe in any kind of compulsion.

Mr. J. H. SMITH: I wish to assure the House that it never entered into my mind to make any political propaganda out of this question. I know that insurance is a very sound safeguard against the three things I have mentioned. I have been expecting the Minister for Health to do something in this direction seeing that he knows what has taken place during the last two or three years. I have wondered that the Premier, in view of the principles he has advocated for the last 20 years, has not made provision for some kind of national insurance as a safeguard for the people. I know that 60 insurance companies are operating in the State and that they are living on individual persons. They are all going out into the country and impressing upon the young folks there the necessity for insuring against this, or that, or something else. Premiums are paid for the first year, or perhaps for two years; and of that first premium or those first premiums the agent gets about 40 per cent. It will be recognised that I am putting up no boost for the insurance companies. After these young people, and also some elderly people, have been paying premiums for two or three years, they begin to wake up and say, "What is in this? I cannot afford so much." Then they drop out, and the premiums which have been paid pass into the funds of the private insurance companies. I am, as it were, between the devil and the deep sea. The Bill does not go far enough for me. I have had my experience of State enterprise in the form of sawmills, hotels, and otherwise; and knowing what the administrative costs are I hold that the lesser of two evils is to vote against the second reading of the measure.

The Premier: I thought you were supporting it.

Mr. J. H. SMITH: My reason is that if we agree to the Government's proposal we shall be told that the State Insurance Office comes into competition with 60 odd insurance companies, and that therefore it is necessary to set another huge department going, which will send agents throughout the country who will tell the people that the State is offering them something special in the way of insurance and that insurers will have the security of Western Australia to fall back upon. Suppose the State canvassers succeed in obtaining 15 or 20 per cent. of insurances for the State Insurance Office, what will be the result? No benefit to the insurers. If the Government will stand up, not for the mandate of the people—there never was any such mandate—but for State insurance, national insurance, embracing sickness, accident and unemployment, I will support their measure.

The Premier: You can only discuss what is in the Bill, not what is outside it.

Mr. J. H. SMITH: I can, with Mr. Speaker's permission, discuss anything I like. The Premier is not going to dictate to me as he dictated to the member for Katanning (Mr. Thomson) the other evening. Why are not the Government sincere?

The Premier: You must not reflect upon the Government.

Mr. J. H. SMITH: Why do not they aim at their objective, the first objective in their platform—nationalisation of all things, industries, insurance and everything else? Why do they bring down a Bill of this kind, a half-measure sort of subterfuge, saying, "We promised to do such and such a thing"? When one analyses the Bill it turns out to be a mere proposal to enter into competition with existing insurance companies, companies with which, incidentally, I do not agree. By passing the Bill we shall merely be setting up another Government department, which may prove most costly. I oppose the second reading because, in my opinion, the measure does not go far enough. I oppose this little bit of State enterprise in the form of insurance because I do not regard it as justified.

MR. LATHAM (York) [7.50]: Last session I opposed this measure on the ground that the Premier was introducing a Bill after establishing the State Insurance Office. However, I am not much opposed to State insurance. Possibly that may surprise the Premier. Still, I maintain that insurance

is not a function of government. No Minister has been returned as the business head of a department. The Minister controlling the State Insurance Office should be equal at least to supervising that business.

The Premier: What about the Railway Department?

Mr. LATHAM: My remark applies more especially to the Government entering into competition with private businesses conducted by men specially trained for their job.

The Premier: Have we not a Taxation Commissioner?

Mr. LATHAM: The people demand that the Minister who controls a department on their behalf shall have some knowledge of the business, though doubtless in administering departments Ministers select the best men available for particular jobs. The function of government is clearly defined in the Constitution. It was never intended that the State should embark in any business which can be carried on equally well by private persons. The Premier says he has a mandate from the people to bring in the Bill. On this side we can equally well say that we have a mandate to oppose the measure. There has been no alteration in the composition of this House; it is almost exactly the same as it was when last session's Bill was debated. I can claim that my electors did not send me here this time to support the Bill any more than they did last time. I admit that if the Premier gets Parliamentary authority to engage in the insurance business, he can do so; but I sincerely hope that some alteration will be made in the present method of conducting insurance. I admit that once in reporting to the Chamber as a member of a select committee I recommended that the Industries Assistance Board should carry their own insurances. I have never yet opposed the Government carrying their own risks.

The Minister for Works: That is not insurance.

The Premier: What risks?

Mr. LATHAM: Fire in buildings, for instance. I understand also that many big shipping companies carry their own risks.

The Premier: And so do many other employers.

Mr. LATHAM: Yes, and the Government are big employers. I am not opposed to the Government carrying the risks of the Industries Assistance Board, and that is the reason why I subscribed to the select committee's report.

The Premier: Not a bad explanation!

Mr. LATHAM: At least it is a thoroughly honest explanation. When, however, the Government engage in a business where there is private competition, they can do so unfairly, seeing that they pay no rates or taxes, and that if they make losses there is a substantial Treasury to be called upon to make them good. Such competition is unfair. I daresay there are members of this Chamber who carry their own risks. I know for a fact that until compulsory insurance was introduced, many farmers never insured their employees, and were never called upon to meet any demand as the result of accident. With the customary care on a farm, I do not see how it is possible for an accident to happen, any more than it is possible for a person walking along the streets of Perth to meet with an accident.

Mr. Panton: That is easy.

Mr. LATHAM: If I happened to be walking along the street and sustained injury, the Government would not say to me, "Why did you not insure yourself?" We carry our own risks, and there is no reason why the Government should not carry theirs. The work of the Industries Assistance Board lends itself admirably to insurance purposes, and so does the work of other Government departments. When some members opposite taunt this side of the House with not looking after the farmers' interests, my reply is that the farmers have definitely declared that to engage in competitive business is not a function of government. If the Administration wishes to engage in business, why not choose a remunerative business, such as a brewery? We know that the Labour organisation's policy is the nationalisation of all industries. I admit that the Premier has not gone quite so far. He is only asking us to permit him to enter into competition with insurance companies. However, this Bill may merely be a leg in. If the measure becomes law, I sincerely hope that some of the methods used by insurance companies will not be adopted by the Government. I object to insurance companies taking premiums on policies for amounts far in excess of what the companies are prepared to pay. It is a well-known fact that insurance companies accept premiums on a greater amount than they are prepared to make good in case of the risk becoming a loss. The member for East Perth (Mr. Kennelly), and also I think the Minister for Works, said the Government were not paying any premiums on behalf of mining companies.

The Minister for Works: I said nothing of the kind. I said the Government were not paying any premiums under the ordinary law of compensation.

Mr. LATHAM: The Minister emphasises the word "ordinary." I said the Government were paying insurance premiums out of funds set aside for the benefit of the mining industry, and that the amount was roughly £30,000. That is set out clearly in the "West Australian" of the 20th October. The newspaper says that the directors in London have decided to pay £4 10s. per cent. premium under the Third Schedule of the Act, the schedule relating to constitutional diseases.

The Minister for Works: The member for East Perth said the insurance companies had increased their rates to £4 5s. 11d. You said the State was paying that rate, and I said your statement was not correct. Mining companies still have to pay £4 5s. 11d. per cent. for ordinary accident compensation.

Mr. Latham: They have to pay 9 per cent. then.

The Minister for Works: In point of fact, no private company is doing that kind of insurance. The Government are doing the lot.

Mr. LATHAM: It would have been beneficial if the Premier had laid on the Table a balance sheet showing whether a profit or a loss was made by the State Insurance Office last year. We have been told that there has been a profit; but we have had no opportunity of examining the balance sheet of the State Insurance Office, and that balance sheet is a document which every member of the House has a perfect right to see. I suggest that the Bill be held up until the balance sheet is made available to us. Had there been done there might not have been quite so much opposition to the measure. I think the Premier should have presented the balance sheet to the House before asking for authority to continue the State Insurance Office that is being illegally conducted to-day. I wish to repudiate the statement made by Government supporters that we on the Opposition side represent the insurance companies. I have not been approached by any insurance company to represent them in this House, and there is not one in my electorate that I am aware of.

Hon. W. D. Johnson: Their representation is in another place.

Mr. LATHAM: Then the hon. member should inform the member for East Perth

(Mr. Kenneally) accordingly, so that the point may be put right. After all, it is merely a question of what we consider right, and I do not think motives should be imputed against hon. members who may disagree or agree with legislation introduced in this Chamber. I say emphatically that I have not been approached by any of the insurance companies and I am not very strictly against the introduction of this legislation.

The Premier: You are a moderate opponent.

Mr. LATHAM: This legislation is not exactly that which is introduced solely by Labour Governments. Similar legislation is in operation in New Zealand, where, I believe, the State office is associated with the underwriters, and possibly the same applies in Victoria. I do not know what the position is regarding State insurance in other parts of Australia where the inauguration of those activities is of more recent date. Later on we shall probably find the same amalgamation being effected in regard to State insurance here as we know has taken place in connection with the sawmilling business. However, I suggest to the Minister that he should drop this measure—

Hon. G. Taylor: And bring in a National scheme.

Mr. LATHAM: I believe the time and brains of Ministers could be better used in carrying out the developmental work that lies ahead of them in this State without engaging in such State enterprises. After that developmental work is finished, and if I am still representing the electors of York, I think the Government will be able to count upon my support.

MR. RICHARDSON (Subiaco) [8.2]: I do not feel that it is competent for me to say anything regarding the Bill, for the simple reason that I am a director of an insurance company in Perth.

Mr. Davy: You horrible exploiter!

Mr. RICHARDSON: I have specifically avoided speaking on the Bill. I question the statement by the member for Guildford (Hon. W. D. Johnson) to the effect that the Government received a mandate from the people at the last election. At the same time I have no intention whatever of speaking in connection with the Bill. I feel I have been attacked in this House. After seven years' experience in this Chamber, this is the first occasion on which such a pointed attack has been made on any mem-

ber of the House. There is no doubt in my mind that the attack launched by the member for East Perth (Mr. Kenneally) was against me. The whole thing was so unfair and unjustified that I feel I have a right to tell hon. members the exact position. I did vote on a motion moved by the member for Yilgarn (Mr. Corboy) in 1921 in regard to State insurance. While I do not intend to speak on that question this evening, I can tell hon. members that my opinions have not changed since that date. When it is suggested that because I have been made a director of an insurance company, I will do something dishonourable, I should have your protection, Mr. Speaker, and that of every hon. member of the House. Such a thing has never been suggested in regard to any other member during the time I have been in this Chamber, and I hope no one's mind will be so depraved that, in arguing against members on the opposite side of the House, he will again make any such accusation against a member of Parliament. I can assure you, Mr. Speaker, that I have endeavoured to act honourably throughout my life and I have no intention of departing from that course now. I know there is another hon. member who, like myself, is a director of an insurance company. Because I think it would ill-become me to vote on the Bill, I ask him also not to vote on this occasion. I adopt that attitude because I do not think, as a director of an insurance company, I should exercise my vote on this occasion. I feel sure the other hon. member I refer to will adopt the same attitude. The fact that I am a director of an insurance company does not mean that I have altered my political opinions one iota. Hon. members who have known me for 25 or 30 years will give me credit for having on all occasions expressed my opinions and acted as I considered proper, and I intend to do so in the future. I hope that never on any future occasion in this House shall we hear an attack made upon any hon. member by another who represents any electorate in any part of the State.

MR. C. P. WANSBROUGH (Beverley) [8.7]: I would not have spoken this evening had it not been for the unnecessary references to insurance companies. I may inform the member for Subiaco (Mr. Richardson) that I also am a director of an insurance company.

Mr. Marshall: We are getting the cat out of the bag.

Mr. E. B. Johnston: I hope the member for Beverley will not disfranchise his electors on that account.

Mr. C. P. WANSBROUGH: The member for Guildford (Hon. W. D. Johnson) referred to the co-operative movement, more particularly regarding the wheat pool. That hon. member mentioned that he was a member of the Government that instituted the wheat pool.

Hon. G. Taylor: He claims to be the father of it.

Mr. C. P. WANSBROUGH: The Western Farmers, Ltd., have various ramifications, including the insurance department. It is one of the business units of the co-operative federation. While the member for Guildford may maintain from his point of view that this measure is necessary, from the standpoint of co-operation, he seeks to strike a severe blow at the co-operative movement in this State.

Hon. W. D. Johnson: What did they say at the annual conference?

Mr. C. P. WANSBROUGH: I attended the conference and they took strong exception to the action of the Government in connection with employers' liability insurance. They claimed that the rates had been increased materially because the position regarding employers' indemnities made it difficult to conduct business successfully.

The Premier: But that law was passed by Parliament.

Mr. C. P. WANSBROUGH: And the legislation was fathered by the Government. I am entirely opposed to the Bill, not necessarily from that standpoint alone, but because it is not the function of the State to create trading concerns.

Hon. W. D. Johnson: The primary producers forced you to do it.

Mr. C. P. WANSBROUGH: And they forced the hon. member to establish the wheat pool. There has been no mandate from the people for this Bill, despite what hon. members on the Government side of the House may say. The matter was not mentioned in my electorate, apart from objection being taken to the principle. I object to the mandatory manner in which the Government have issued orders regarding Industries Assistance Board insurances. I assert that two-thirds of that business naturally belongs to the co-operative movement, and that was the position before this mandate was issued by the Minister controlling the Industries Assistance Board. It is un-

fair for the Government to carry on a department illegally and against the wishes of Parliament. On top of that they have imposed this unnecessary order that Industries Assistance Board insurances must be effected through the State office. That represents interference with the liberty of the subject and an unwarranted blow at the co-operative movement throughout the State. I would not have mentioned this but that the member for Guildford and the member for East Perth made slighting references to the insurance companies. I resent the attitude of those hon. members and will vote against the Bill because it amounts to an unnecessary interference with the liberty of the subject, and because it is the function of the State to govern and not to trade.

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

Ayes	..	..	..	20
Noes	..	..	..	13

Majority for 7

AYES.

Mr. Collier	Mr. Marshall
Mr. Corboy	Mr. McCallum
Mr. Coverley	Mr. Munste
Mr. Cunningham	Mr. Rowe
Mr. Heron	Mr. Sleeman
Miss Holman	Mr. Taylor
Mr. W. D. Johnson	Mr. A. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Lambert	Mr. Pantou
Mr. Lamond	
Mr. Lutey	

(Teller.)

NOES.

Mr. Brown	Mr. Mann
Mr. Davy	Sir James Mitchell
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. J. H. Smith
Mr. E. B. Johnston	Mr. C. P. Wansbrough
Mr. Latham	Mr. North
Mr. Lindsay	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Chesson	Mr. George
Mr. Clydesdale	Mr. J. M. Smith
Mr. Kennedy	Mr. Stubbs
Mr. Millington	Mr. Teesdale
Mr. Troy	Mr. Thomson
Mr. Wilson	Mr. Barnard
Mr. Withers	Mr. Maley

Question thus passed.

Bill read a second time.

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

In Committee.

Mr. Lutey in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Hon. Sir JAMES MITCHELL: If we pass the clause the Government will be empowered to undertake all kinds of insurance.

The Premier: That is so.

Hon. Sir JAMES MITCHELL: That was made clear when the Premier moved the second reading. If it be necessary to provide cover under the Workers' Compensation Act, particularly the third schedule risk, it is not necessary to engage in all other kinds of insurance. The member for Coolgardie said that the rates charged to farmers here were higher than those charged in the other States. I believe the agricultural risks are lower here than are those in the other States. If it could be shown that our farmers were being exploited and that higher rates were charged here than elsewhere, it would be a good argument, but that has not been shown. There is nothing to justify the belief that anyone will benefit by the establishment of a State fire insurance business. If the Government do the work they will have to meet the losses just as the companies do. True, they will not have to pay taxation, but the profit that would be made would merely compensate the Treasury for the loss of taxation. For the most part we lose and lose pretty heavily by State trading: we do not cover taxation by the profit earned, and so it will be with the insurance business. It is easy to understand a profit of £1,400 having been made on past transactions, but the Government have taken enormous risks under the third schedule. If the Government take risks at £4 10s. per cent., they do not expect to have to pay out much for a year or two. Similarly with the £31,000, the Government do not expect to have to pay out on that this year, but the risk will accumulate. I do not know whether the Industries Assistance Board clients' risks will be undertaken by the department or by the State office. That was a good risk last year. As to the cover of Government employees, apart from the railway men, I suppose our employees run less risk than do any other employees. I hope the clause will not be passed.

The Premier: The clause is really the Bill—the thing on which we have just voted.

Mr. Davy: You might accept a little amendment.

Hon. Sir JAMES MITCHELL: It is a bad clause and a bad Bill. It is open to us to amend the clause now, but we could not do that on the second reading. Government supporters in addressing themselves to the Bill have made some extraordinary remarks. They assumed that because it was a Government business it must prove profitable, and that it would be better for people to insure with the Government than with a company charging the same rate. When the member for East Perth is called upon to approach the State office for the settlement of claims, he will not find it any more ready than are the private companies to make settlements.

Mr. Kenneally: I have not done badly when the decision has rested with a Government officer. My experience leads me to support an extension of the business.

Hon. Sir JAMES MITCHELL: No experience would induce the hon. member to vote against the Bill, no matter how bad it was.

Mr. DAVY: I do not know how reasonable the Premier is going to be this year. Last year he started off by asking for an absolute monopoly of workers' compensation business and then made a pretty big concession by cutting out the monopoly. I move an amendment—

That in the definition of "Insurance business," the words "accident insurance, insurance under section fifty-two of the Traffic Act, 1919-1926, or otherwise in respect of vehicles licensed under that Act, fire, crops and stock insurance, and any other insurance business or risk" be struck out.

I am opposed to any form of State insurance, but if I were inclined to weaken in that opinion I would be more likely to lean towards workers' compensation than any other insurance business. If I cannot prevent the Government from undertaking all classes of insurance, I would prefer that they establish workers' compensation insurance to anything else. I am not aware that the Premier justifies State insurance on the ground that he can make a profit out of it. I can suggest how he could make vastly more profit, in fact tens of thousands a year.

Mr. Panton: Don't go introducing tin hares here.

Mr. DAVY: The Premier could make more money by purchasing a row of shops in Perth, knocking the fronts out of them and

running a series of crown and anchor boards, and the business would entail no risks.

The Minister for Works: Are you speaking from experience?

Mr. DAVY: To some extent. If the diggers grew tired of that, the Premier could establish a housey-housey school.

Mr. Panton: Or a two-up school.

Mr. DAVY: The Premier has not established State insurance in order to make money, but I do not think he will lose money on it. The State office will do the whole of the State's business, and it will not cost a penny to get it. The State office will do the business of some of the local bodies and of a few people who can be influenced, but that will be the extent of it. Obviously every Labour member will have to do his insurance at the State office.

The Premier: We shall make that a plank of the platform.

Mr. DAVY: I can imagine the Premier, on going to Boulder two years and a bit hence, being questioned whether he insures his house in the State office, and I cannot imagine his answering "No."

The PREMIER: I am sorry I cannot accept the hon. member's amendment. The hon. member caught me in a generous mood last year when we had a similar Bill before us, and I agreed to forego the right. I was first seeking to make compensation insurance a monopoly and having met the House to that extent, I found that my generosity was not appreciated in another place. I really believe that I failed to carry the Bill into law because of its limited character. I am hoping—

Hon. G. Taylor: By broadening it.

The PREMIER: Yes, and going in for general insurance, that we might be more successful this year.

Mr. Mann: There is room for more amendments to be made up above.

The PREMIER: I really think that on the previous occasion the Bill was so small that another place was not satisfied with the carving up they were able to do. They felt that whilst they had emasculated it considerably, what they had done was not sufficient, and that is how the Bill was lost entirely. It is true that the Bill has not been introduced with the object of making profits, but it is necessary to render this service to the State, a service that we shall be able to give to the people at a lower rate than they pay to-day. I have no desire to go into figures again, but I did demonstrate last year

that the effect of Government insurance in Queensland was to reduce the premium rates in that State.

Hon. Sir James Mitchell: I do not think that is so.

The PREMIER: In Victoria, State insurance is limited in the way the hon. member proposes to limit the operations of the Bill, but having regard to every aspect of the question the people are entitled, if they so desire, to effect insurance with the State office. The hon. member himself just stated that he does not think we should do any business except with our own employees and our own departments. If that is so, there is no reason why the Bill should not go through as it is printed. It will not have very much effect, for, after all, the amount of Government business is very small in proportion to the total business transacted in the State. We could take our own risks.

Hon. Sir James Mitchell: You have done so.

Mr. Davy: And your State office has been reinsuring.

The PREMIER: That is only sound insurance business. It can hardly be expected that an office just established would take risks that would run into hundreds of thousands of pounds, and in order to protect itself the State Office reinsures. After all, in the memorable words of the Leader of the Opposition, used some years ago, the clause as it appears in the Bill will do no harm. It will not take away very much business from the companies.

Hon. Sir James Mitchell: We are not concerned about the companies; we are concerned about the taxpayers.

The PREMIER: The taxpayers are quite protected. One member has stated that we would not lose. This is one of the businesses in which the State can embark with the greatest safety. There is always an element of doubt as to the result of the State entering upon competitive trading, and especially where it has to compete for trade with the keenest business men and companies. There exists always an element of risk from the financial standpoint. But that risk does not exist with regard to insurance.

Mr. Davy: It depends on the business you do.

The PREMIER: It is a matter of actuarial calculation. What happened recently when the companies found after their first 12 months' operations under the amending Workers' Compensation Act that the premiums were not sufficient to cover the risk?

They used the premiums, and they will not this year.

Hon. Sir James Mitchell: That is what you will do.

The PREMIER: We shall not carry on business at a loss and the State office will have to charge premiums that will cover the risk. We have been able, with the small business we have done, to get through with a small profit. This is one of the businesses that the State can embark upon and the people will continue to do business with the companies or the State office. There will not be any compulsion. I cannot accept the amendment.

Hon. Sir JAMES MITCHELL: As the Premier spoke, I noticed that he gave voice to a grave doubt in connection with the trading concerns. He will expect everybody who has anything to do with the Government to insure with the State office. In connection with the Implement Works, we have almost compelled many farmers to buy implements of a kind that they do not want.

The Premier: I do not think so.

Hon. Sir JAMES MITCHELL: Probably not bad machinery, but machinery unsuitable for the work the farmers want to do. Group settlers, in many instances, were obliged to take ploughs that were unsuitable for the South-West.

The Minister for Works: The Implement Works exercise powers similar to those exercised by private enterprise.

Hon. Sir JAMES MITCHELL: That is not so.

The Minister for Works: I say they do. You know nothing about it.

Hon. Sir JAMES MITCHELL: I can show the Minister great piles of machinery in the country that is unsuitable; I do not say it is bad machinery. If we are going to trade, then the trading should be on its merits and it would be ridiculous to say that if a plough be made by the Government and a farmer borrows money from the Agricultural Bank he must take that plough. That is immoral, absolutely.

The Premier: Of course it is.

Mr. Marshall: We should import the ploughs!

Hon. Sir JAMES MITCHELL: We import too much, but that is not the point. The point is that where the Government are running a business, the Government expect that those who borrow money from the Agricultural Bank should take Government machinery.

The Premier: There is nothing else that is going on now.

Hon. Sir JAMES MITCHELL: It has operated in the South-West and it is wrong. I do not know whether the Premier thinks he can run insurance more cheaply than can the companies. He has said frankly that there must be State insurance and that if it is necessary to put up the rates, they will be put up. With regard to mining risk that is a different thing.

The Premier: That is something the State should take up.

Hon. Sir JAMES MITCHELL: There is no doubt about it that we have to take that risk and we are paying £31,000 this year to the State office for the Third Schedule risk.

Mr. Panton: That is many years' accumulation.

Hon. Sir JAMES MITCHELL: I am afraid it is, but still we have to pay. True, we may have a loss, but I do not object to that. If the Premier is wise he will accept the amendment. He said he reluctantly brought down the Bill of last year. I can understand his reluctance to take on further State trading.

The Premier: I have not rushed into much of it.

Hon. Sir JAMES MITCHELL: Because you know it is a business at once unprofitable and troublesome. I hope the Premier will agree to the amendment.

Mr. Panton: He will be on his own if he does.

Hon. Sir JAMES MITCHELL: Of course, the Premier can work the business at a rate far below that necessary to the insurance companies, who have to make ends meet. I suppose the workers have benefited a little, but not very much.

The Premier: Oh yes, they have.

Hon. Sir JAMES MITCHELL: They have benefited in respect of doctors and hospital fees, but they have not returned to work as early as they would otherwise have done. However, we all agreed that that Act should be passed, whereas we disagree with this one.

Mr. SAMPSON: I was very pleased when, last year, it was decided to delete the provision giving the Government a monopoly in respect of insurance business. I wondered whether it was seriously intended that a monopoly should be created. However, there is nothing definitely of that nature in the Bill before us, although to an extent a monopoly is indicated in the contracts made for

the construction of Federal aid roads. In those contracts there is a condition that insurance shall be effected with the State office. However, I understand that condition is not always insisted upon. Reference has been made to a letter, which it is said was couched in coercive terms. While a selling letter may properly be put up by a business man asking people to trade with him, nevertheless such a letter from the Premier would be subservive of all dignity.

The Premier: That would be sent out by an official. You do not suggest that I would write such a letter.

Mr. SAMPSON: I am glad to hear it. I will support the amendment. It is carried, the interpretation will still permit of State insurance, including workers' compensation business. We hear a lot about the insurance companies but, as I have said, one company paid £700 because of an unfortunate oversight in my office.

Mr. Davy: You wouldn't get that from a State office.

The Premier: I should hope he would not expect it.

Mr. SAMPSON: The consideration was readily given by a private insurance company.

The Premier: I think we ought to give that company a free hand.

Mr. SAMPSON: Yes, since we hear so much of the failure of various companies to live up to their obligations. I always doubt that assertion.

Mr. Panton: Don't be too free with your invitations. We have a few instances we can quote.

Mr. SAMPSON: It is seldom that an honourable man is turned down by an insurance company.

Mr. Panton: Then there must be a lot of dishonourable men about.

Mr. SAMPSON: Objection is raised only when grave doubts exist as to the validity of the accident. When a motor car, long past the stage where it can be satisfactorily repaired, has the good fortune to catch fire, there is a disinclination on the part of the company to pay over until the facts have been investigated.

Mr. Sleeman: Tell us about one of the companies refusing to pay hospital fees.

Mr. SAMPSON: I do not know of any such instance. I understand the insurance companies paid those fees.

The Premier: Tell us which company. I might be tempted to do business with it.

Mr. SAMPSON: The Employers Liability Insurance Corporation Ltd., of which Mr. Agg is the manager.

Mr. MANN: When we remember the reason for the introduction of State insurance our minds go back to the negotiations between the Minister for Works and the insurance companies. According to the Minister, he was confident that the companies would take up workers' compensation insurance. However, the negotiations failed. The companies say the Minister refused to give them certain information as to the risks they had to cover.

The Minister for Works: Nonsense.

Mr. MANN: That is what was said. Subsequent events have shown that the judgment of the companies was right.

The Minister for Works: Oh, go on!

Mr. MANN: For the risk is even greater than the Minister thought.

The Minister for Works: It is not 30 per cent. of what any of us imagined.

Mr. MANN: The figures given by the Minister for Mines last night indicated that it is much greater.

The Minister for Mines: They were the tubercular cases. They are not insured.

Mr. MANN: And other cases.

The Minister for Works: We are making a profit on business on which the companies said we would lose a quarter of a million pounds.

Mr. MANN: Last year the State Insurance Office made a profit of £13,000 out of insuring the Industries Assistance Board crops. What has become of that money?

The Minister for Works: You are wrong. It made a profit on workers' compensation.

The Premier: That has nothing to do with the workers' compensation figures.

Mr. MANN: The total profit was only £1,000 odd.

The Premier: That is not included. The total profit of £1,400 was for compensation business only.

Mr. MANN: What were the total profits for the year?

Mr. Panton: Oh, about 3½ millions!

Mr. MANN: My figures are right.

The Premier: The profit of £1,400 was for general accident compensation insurance only.

Mr. MANN: What was the total profit for the year?

The Premier: That was the profit upon that business.

Mr. MANN: But there was a profit of £13,000 on crop insurances. What has become of that?

The Premier: It is down there in the Treasury. I told the hon. member that it was not included in the figures. The £1,400 profit was on accident insurance only.

Mr. MANN: Only a small profit was made on the whole of the business, and we can assume that the £13,000 went to make up the losses on workers' compensation.

The Premier: It is not in the figures.

Mr. MANN: The Premier will not say where it went.

The Minister for Works: Do you think it is divided up amongst us?

The Minister for Mines: I did not get my share out of it.

Mr. MANN: The Government were in office for two years before suggesting State insurance, and then it was introduced because there was a deadlock between the Minister for Works and the companies over workers' compensation.

Mr. DAVY: It is just as wrong to assume that all companies are good because a person has had a favourable experience of one company, as it is to assume that all companies are bad because another person has had an unfavourable experience with another company. Much depends upon the managers. All the hatred that appears to have been engendered in the hearts of members supporting this Bill arises from the experience they have had of workers' compensation insurances. The whole attitude of members opposite is due to the fact that they think certain claims under worker's compensation have not been justly treated by the companies. That feeling has been exhibited over and over again during the debate. If that is so, their objection will be met by accepting my amendment. No doubt the Premier has made up his mind to have the Bill passed in its present form. I suggest it will be wise to limit it in the way I have indicated. My objection to the scheme is that it is a further embarkation into the realms of private enterprise. I do not think it will do the companies any particular harm. People do not like dealing with Government departments. State insurance will, however, do an indirect harm that is worse than any direct harm. It will tend to frighten everyone who is engaged in private enterprise lest the Government should also compete with them. It will disturb those who are putting capital into private enter-

prises, and still further induce the public to lean upon the Government.

Mr. BROWN: I wonder if the Premier is sincere in wanting this Bill placed on the statute-book. On the last occasion he agreed to cut out the compulsory clause, and yet another place rejected the Bill. This measure is even more comprehensive than the other. What chance, therefore, has the Premier of having it accepted by the Legislative Council?

The Premier: Perhaps the first Bill was rejected because it did not go far enough.

Mr. BROWN: If all workers' compensation business was left in the hands of the Government, the private companies would have no objection. No profits are made out of workers' compensation.

Mr. SAMPSON: The time of Ministers is likely to be fully occupied in attending to the affairs of State and encouraging the development of the country, without any part of it being taken up with managing a State Insurance Office.

The CHAIRMAN: I should like the hon. member to connect his remarks with the amendment before the Chair.

Mr. SAMPSON: If the amendment is carried it will limit the insurance business to workers' compensation.

Mr. Kenneally: That is right. From the point of view of the companies, that has proved a failure.

Mr. SAMPSON: This Bill will add to the burdens already placed upon Ministers, for they will be called upon to handle a highly technical and difficult undertaking.

The CHAIRMAN: Even those references have nothing to do with the amendment.

Mr. SAMPSON: We should break down the impression that the State has a special weakness for trading concerns. If that can be done, it will encourage a larger number of people to come to Western Australia and engage in industries. I will support the amendment.

Mr. KENNEALLY: The amendment clearly indicates where the Opposition stand in regard to insurance. The returns presented by the companies claim that they made losses on certain classes of business, and indicate that on workers' compensation insurance they lost £25,000 in a year. The member for West Perth now wishes to limit the operation of the State Insurance Office to that losing business.

Mr. Mann: The Government say they have made a profit out of workers' compensation insurance.

Mr. Davy: Does the member for East Perth imagine that the companies are making a loss on it this year?

Mr. KENNEALLY: The companies claim that they must considerably increase the premiums in order to make the business pay. The member for West Perth proposes to present the Government with a mandate to enter upon that losing phase of insurance business only. I hope the amendment will be rejected.

Mr. DAVY: In answer to the member for East Perth, all insurance carried on by any company is carried on at a profit. It happens that for a short period after the risk had been altered, the companies made substantial losses on workers' compensation. If a phase of insurance proves unprofitable for a year, the companies increase their premiums until a fair business profit is realised. The amendment does not suggest that the Government should be limited to hopeless business.

Mr. Kenneally: What other business than workers' compensation does the amendment leave to the Government?

Mr. DAVY: No other business. The hon. member himself, and his friends on the other side, have made a special attack on workers' compensation insurance as done by private companies. I suggest that their objections will be met by a measure authorising the Government to carry on workers' compensation insurance, thus ensuring to the employee that fair deal which the member for East Perth contends the employee does not get from the insurance companies—I do not admit it.

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

Ayes	..	..	..	12
Noes	..	..	..	19
				—
Majority against				7
				—

AYES

Mr. Brown	Mr. Mann
Mr. Davy	Sir James Mitchell
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. J. H. Smith
Mr. Latham	Mr. C. P. Wansbrough
Mr. Lindsay	Mr. North

(Teller.)

NOES.

Mr. Collier	Mr. Marshall
Mr. Corboy	Mr. McCallum
Mr. Coverley	Mr. Munse
Mr. Cunningham	Mr. Rowe
Mr. Heron	Mr. Steeman
Miss Holman	Mr. Taylor
Mr. W. D. Johnson	Mr. A. Wansbrough
Mr. Kennelly	Mr. Willcock
Mr. Lambert	Mr. Fenton
Mr. Lamond	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Barnard	Mr. Wilson
Mr. George	Mr. Chesson
Mr. Maley	Mr. Withers
Mr. J. M. Smith	Mr. Clydesdale
Mr. Stubbs	Mr. Kennedy
Mr. Teesdale	Mr. Millington

Amendment thus negatived.

Clause put and passed.

Clause 3—agreed to.

Clause 4—Insurance Commissioner:

Hon. Sir JAMES MITCHELL: Last year we objected to the appointment of an insurance commissioner for a term of seven years. I do not think that in any business a manager would be appointed for a fixed term of years.

The Premier: The term is, not exceeding seven years.

Hon. Sir JAMES MITCHELL: If we do have an Insurance Commissioner he must be prepared, if unsuitable, to go at short notice. An appointment for a term might involve payment of compensation. I move an amendment—

That Subclause (3) be struck out.

Mr. SAMPSON: Subclauses such as this have already caused Governments much inconvenience. If an officer does his work properly and the business continues, all is well; but if it is decided to stop the business, or if it is desired to remove the commissioner, difficulties will arise.

The PREMIER: The most important point is that the practice has been to appoint officers for a term of years. The Commissioner of Railways is an instance.

Mr. Davy: The reason in that case is to keep the officer entirely free from political control, if possible. That reason could not apply in the present case.

The PREMIER: The Public Service Commissioner is another instance.

Mr. Sampson: A comparatively unimportant officer.

The PREMIER: I have no serious objection to the amendment. The Commissioner can be appointed to hold office as long as he gives satisfaction.

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

Clauses 5, 6, 7—agreed to.

Clause 8—Policies guaranteed by State

Hon. Sir JAMES MITCHELL: If there be losses, appropriations can be made under this clause. Naturally, the State would have to pay any loss; but I consider that any profits of the State Insurance Office should be allowed to accumulate, and not be taken into revenue.

The Premier: Our first object, of course, should be to build up a substantial reserve.

Hon. Sir JAMES MITCHELL: If money is needed, it should be appropriated in the ordinary way.

The Premier: That is, if the fund does not meet the claims.

Hon. Sir JAMES MITCHELL: If the clause passes as printed, premiums could be paid into Consolidated Revenue, whereas they ought to be held to meet losses.

The Premier: That is what has been done for the last 12 months.

Hon. Sir JAMES MITCHELL: It would mean drawing on general revenue and relying upon this clause.

The Premier: That would be an improper way to do it.

Hon. Sir JAMES MITCHELL: Of course. It would be wrong if Parliament were not to be consulted, should there be heavy losses.

The Premier: I presume Parliament would be consulted every year.

Hon. Sir JAMES MITCHELL: But that is just what will not be done under the clause. I know we must meet losses promptly, but Parliament should be consulted.

The Premier: Money must be appropriated by Parliament.

Hon. Sir JAMES MITCHELL: The Premier knows that this business could be done without Parliament being consulted at all. The Government may cover a wide range of insurances, and it is possible that there will be considerable losses that will have to be met, but Parliament will have no say about them should the Bill be passed in its present form. Of course, it could be done by a direct motion, but not otherwise.

The Premier: Parliament would be able to discuss the matter on the Budget.

Hon. Sir JAMES MITCHELL: But there will be no item on the Estimates, so that we will have no chance of raising a discussion.

The Premier: There will be an item for the salary of the Commissioner.

Hon. Sir JAMES MITCHELL: That will not be sufficient. This type of clause will give rise to complications and will invite the Legislative Council to seriously consider the proposal. As this is one of the money provisions, the Council will have no right to amend it, but they may have suggestions to make.

The Premier: I like their power of suggestion!

Hon. Sir JAMES MITCHELL: So do I, if they will only stand firm after making suggestions. The Premier should modify the clause to some extent. We should add a clause to the Bill requiring an annual report to be laid upon the Table of the House, and it should be before us at an early stage of the session.

The Premier: I agree that a report should be presented to Parliament. It could be presented as soon as it could be compiled.

Hon. Sir JAMES MITCHELL: This department will not be like an ordinary department, and the report should not take long to compile once the books are closed. I will not take further exception to the clause if the Premier will agree to add another setting out that an annual report shall be presented to Parliament.

The Premier: I will do that.

Clause put and passed.

Clause 9—Amendment of Section 10 of Workers' Compensation Act, 1912-24:

Mr. DAVY: This clause is an old friend.

The Premier: Where have we met it before?

Mr. DAVY: Something similar was presented to us last year, and it takes us back to the famous Section 10 of the Workers' Compensation Act, inserted by the amending Act of 1924. That is the section that gives the Minister the right to approve of the companies with which employers can insure. The Minister said that he would not approve of companies that did not do exactly as he wished, and as they did not do so, he wiped them all out. Later on when

the Premier came into the picture, a rather more reasonable attitude was adopted, and last year he consented to amend Section 10 so that the right of the Minister to arbitrarily approve or disapprove of the insurance companies was eliminated.

The Premier: I do not think that related to the companies.

Hon. Sir James Mitchell: Yes, it did.

Mr. DAVY: When the State Insurance Bill of last session finally left this House, Section 10 of the Workers' Compensation Act would have been made to read, had the Bill become law, in such a way that employers could insure either with the State office or with any insurance office provided they complied with the requirements of the Insurance Companies Act, 1918. I have an amendment the effect of which will be to bring us back to that position. I move an amendment—

That the following words be added:—“and by deleting the word ‘incorporated,’ in line 2 of Section 10 of the Workers' Compensation Act, by adding after ‘office,’ in line 2, the words ‘which has complied with the provisions of the Insurance Companies Act, 1918,’ and by deleting the words ‘approved by the Minister,’ in lines 2 and 3.”

Section 10 will then read so that an employer will be given the right to insure either with the State Insurance Office or with any other insurance office that has complied with the provisions of the Insurance Companies Act of 1918. Should Lloyd's undertake that type of business, they will also be able to participate. I do not think that the Minister desires to control the insurance companies in the way he suggested on a former occasion in view of the fact that, if the Bill be agreed to, he will have the State office.

The Premier: This will mean that the employers will be compelled to effect insurances with the State office or any other company complying with the Insurance Companies Act.

Mr. DAVY: That is so.

The Premier: I will accept the amendment.

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

Clauses 10 and 11—agreed to.

Clause 12—Regulations:

Mr. DAVY: I call the attention of the Minister for Works to the nature of this clause, knowing that I will have in him an

ally in my desire to limit its present extraordinary width. He agrees with me that we should limit this type of by-law legislation. This is the most perfect example I have seen of such a clause, conferring upon the Government, as it does, almost illimitable powers to make by-laws.

The PREMIER: This is merely the usual regulation clause.

Mr. DAVY: No, it is not.

The Minister for Works: But this is an extraordinary case.

Mr. DAVY: It must be! For instance, it says that the Governor may make regulations "providing for all or any purposes, whether general or to meet particular cases that may be convenient for the administration of the Act." That is a beautiful thing! Under that the Government could make regulations to alter the law to deal with a particular claim or a particular kind of policy. It is difficult to know just what such a clause may empower the Government to do. While it is necessary to have some provision enabling regulations to be framed, this is an amazing proposal. This must have been borrowed from Queensland.

The PREMIER: In this business we require wide powers.

Mr. DAVY: Why cannot we be a little more industrious and do the work in this House? Parliament is the proper place for making laws. I do not suggest that the Minister is responsible in this instance. I know it is much easier to present a skeleton Bill to Parliament, than it is to go to a lot of trouble and set out all the necessary provisions in the Bill. That would mean a great deal of care and research. I will not move an amendment. I would like to strike out the clause, but if the Premier is to get this shocking piece of legislation passed, he will require some power to make regulations. I suggest to him that this is going too far.

The PREMIER: It is all very well to say we ought to place in the Act practically everything that is required, but experience tells us that a hundred and one things crop up and that the wisest and most far-seeing person will overlook omissions that become manifest soon after the Act comes into operation. It is necessary to have power to make by-laws for the effective working of the Act. In this instance general and wide powers to make by-laws ought to be granted. After all, there is no great danger about by-laws, although I am well aware of the hon. member's attitude towards them.

Mr. Davy: Yes, and the Minister for Works has agreed with me.

The PREMIER: I don't wonder at it. I should imagine that after his recent experience with by-laws and regulations he could wish that all those things had been embodied in the Act itself.

Hon. Sir James Mitchell: He was astounded when Parliament questioned his by-laws.

The PREMIER: No, not astounded. I only wish we could foresee everything required, and get it into the Act. It would be much better than having it in regulations and by-laws.

Mr. Davy: Even if you omit something you have only to wait a year.

The PREMIER: And in the meantime the whole business is hung up.

Mr. Davy: But you have carried on this business without even an Act.

The PREMIER: Yes, I think the general powers we have possessed during the last 12 months have been just as effective as the wide powers we propose to take in this clause. Without any limitation of an Act or power to make regulations, the work of the State Insurance Office has gone on smoothly for the last 12 months. There has been no complaint whatever.

Hon. Sir James Mitchell: We have had no report and so we do not know what has happened.

The PREMIER: The hon. member would soon know if there were anything unsatisfactory, for there would be an outcry that would reach the ears of the House. This I am convinced, is a State department that is going to work smoothly and efficiently. I do not wish to weary members, else I could have brought a pile of letters from employers all over the State expressing appreciation of the State Insurance Office. Since the private companies have increased their rates business has been pouring in upon us. Those employers, in the letters that I have, although opposed to our establishing State insurance without legal authority, nevertheless now see that we were right.

Mr. Davy: Will you publish those letters?

The PREMIER: No, but I will let you see them if you wish.

Mr. Davy: Soon?

The PREMIER: Yes. Some of them, of course, will be confidential, because written by friends of the hon. member who would not like him to know that they had gone back on him.

The Minister for Works: One is from a man who took a prominent part in the discussion in the Chamber of Commerce.

The PREMIER: I think the hon. member might let this clause go. I, at any rate, will not abuse the power to make regulations.

Hon. G. TAYLOR: No, you are not the Public Works Department.

Hon. Sir JAMES MITCHELL: I hope the Committee will not agree to give the power. Why did not the Premier carry out the whole business by regulation?

The Premier: To some extent at least the bringing down of the Bill was a concession to the Opposition.

Hon. Sir JAMES MITCHELL: This clause provides too wide a power. Take the regulations under the Traffic Act. There we find the terminal point at Fremantle shifted every day.

The Minister for Works: I have shown that that is not true, notwithstanding which you repeat it.

Hon. Sir JAMES MITCHELL: It is wrong that so much should be left to regulations. We might just as well not make laws at all. The Committee should know what it is proposed to do under the Act. Provocative regulations will be drawn, and they will be law until the House meets and disallows them.

Mr. DAVY: I move an amendment—

That in Subclause (1) all words from "providing," in line 1 down to "or" in line 4, and the words "or expedient," in line 4, be struck out.

The clause as printed will give extravagant power for the making of regulations.

The Premier: Your amendment will leave the clause just as wide as it is now.

Mr. DAVY: My amendment is very necessary.

The Premier: I promise the hon. member to look into it and, if necessary, have it reconsidered on the third reading.

Hon. G. TAYLOR: The Premier thinks the amendment would leave the clause just as wide as it is now. We hold a different opinion. We think the clause is too wide, and that the amendment will render it at least more acceptable than it is at present.

Mr. SAMPSON: The words proposed to be struck out are superfluous and do not improve the clause.

The Premier: That is because you, as a newspaper man, are so accustomed to bawling things.

Mr. SAMPSON: It is a redundancy that is objectionable to one of even moderate literary attainments.

Mr. Corboy: It is surprising that a lawyer should object to something that might need interpreting.

Mr. SAMPSON: The words do not clarify the meaning of the clause.

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

Ayes	..	..	..	12
Noes	..	..	..	18

Majority against .. 6

AYES.

Mr. Angelo	Mr. Mann
Mr. Brown	Sir James Mitchell
Mr. Davy	Mr. Sampson
Mr. Ferguson	Mr. J. H. Smith
Mr. Griffiths	Mr. Taylor
Mr. Latham	Mr. North

(Teller.)

NOES

Mr. Collier	Mr. Lamond
Mr. Corboy	Mr. Marshall
Mr. Coverley	Mr. McCallum
Mr. Cunningham	Mr. Munle
Mr. Heron	Mr. Rowe
Miss Holman	Mr. Sleeman
Mr. W. D. Johnson	Mr. A. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Lambert	Mr. Panton

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Barnard	Mr. Wilson
Mr. George	Mr. Chesson
Mr. J. M. Smith	Mr. Clydesdale
Mr. Stubbs	Mr. Kennedy
Mr. Teesdale	Mr. Millington
Mr. Thomson	Mr. Troy
Mr. Maley	Mr. Withers

Amendment thus negatived.

Mr. DAVY: Perhaps the Premier will grant me one little amendment. I move an amendment—

That the words "or expedient" be struck out.

The Premier: Yes, I do not think they would be fitting words in an Act.

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

Schedule:

Mr. DAVY: I must comment on the reappearance of an old friend in the shape of clause 5 of the schedule, which gives the Commissioner the right to refuse to enter into an insurance contract. Last year the

Premier withdrew a similar clause because it knocked out his argument for State insurance, seeing that insurance under the Workers' Compensation Act was compulsory. Why has the clause been reintroduced?

The Premier: It is very necessary.

Mr. DAVY: If it is necessary, then, seeing that insurance is compulsory, the argument that the State must provide facilities for insurance goes by the board.

The Premier: No insurance company in the world would consider it fair to be bound to take everything offering.

Mr. DAVY: I quite agree, but the Premier must admit that his previous argument that the State must provide for insurance, seeing that insurance is compulsory, goes by the board.

The Premier: No, because last year we were dealing only with compensation, and I should say that having made compensation compulsory we should take every offer of business; but this Bill provides for all kinds of insurance, and we should not be compelled to take the risk on any old tumble-down shanty, or anything else.

Mr. DAVY: Then, to be logical, the Premier should insert after the word "refuse" the words "except in cases of workers' compensation risk."

The Premier: But we do not intend to refuse that.

Mr. DAVY: The Premier has placed himself on the horns of a dilemma.

The Premier: No fear.

Mr. DAVY: If he wishes to acquire a reputation for being logical, he must insert the words I have suggested. He ought really to make an exception also in favour of persons running motor buses. It may be that they will have to go out of business, because no one will accept the risk.

The Premier: We will take it.

Schedule put and passed.

Title—agreed to.

Bill reported with amendments.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Returned from the Council without amendment.

House adjourned at 10.13 p.m.

Legislative Council,

Tuesday, 8th November, 1927.

Bills: Racing Restriction, Report	1656
Loan and Inscribed Stock (Sinking Fund), Com. Report	1656
Mental Treatment, Assembly's amendments ...	1657
Electoral Act Amendment, 3rd., defeated ...	1658
Closer Settlement, Com.	1658
Land Tax and Income Tax, Assembly's further message	1657
Hospital, Recon.	1657

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

BILL—RACING RESTRICTION.

On motion by Hon. Sir William Lathlain, report of Committee adopted.

BILL—LOAN AND INSCRIBED STOCK (SINKING FUND).

In Committee.

Hon. J. W. Kirwan in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Authority to suspend contributions to sinking fund:

The CHIEF SECRETARY: In his second reading speech Mr. Seddon asked for certain information, which I promised to supply in Committee. He is desirous of knowing what the Government intend to do with the £11,580 which will be saved to revenue when contributions to the sinking fund of this loan cease under the Bill. As was the case with the Coolgardie water supply surplus, it will go into revenue. There is no other way of dealing with the position. Having gone into revenue it will afterwards be appropriated, with the authority of Parliament, for some public purpose. It is quite true that 19 millions of our Loan indebtedness carries no sinking fund. The reason is that local inscribed stock and other inscribed stock and Treasury bills are short-dated, or for other reasons do not qualify for the sinking fund; nor do the advances for soldier settlement, which are to be gradually repaid by the soldiers, the loan being met from the proceeds. It must be remembered that the whole position of State finance is wrapped up in the proposed finan-