

ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. Sir James Mitchell—Northam) [5.22]: There has been some delay in bringing down the second Bill arising out of the Plan. We are now receiving wires from Melbourne regarding it. I did intend to introduce it to-morrow, but I understand that the Leader of the Opposition would prefer to have time until Tuesday next to consider the Bill that has just been introduced. Consequently, I move—

That the House at its rising adjourn till Tuesday, 14th July.

Question put and passed.

House adjourned at 5.23 p.m.

Legislative Council,

Thursday, 9th July, 1931.

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

QUESTION—HIRE-PURCHASE AGREEMENTS BILL.

Hon. H. SEDDON asked the Minister for Country Water Supplies: 1, Has his attention been directed to a statement appearing in the "West Australian" of the 8th July, which the Minister for Lands is reported to have made at Dumbleyung on the 4th July, as follows:—"That the Legislative Council had referred the Hire-Purchase Agreements Bill to a select committee, and allowed representatives of the merchants to draft a new Bill. This action was an insult to the intelligence of the members of the Upper House, and a shirking of responsibility and neglect of the job for which they were paid"? 2, Is this statement correct?

The **MINISTER FOR COUNTRY WATER SUPPLIES** replied: 1, My attention was drawn to the statement referred to. 2, No.

BILL—STATE MANUFACTURES DESCRIPTION.

Reports of Committee adopted.

BILL—WORKERS' COMPENSATION.

Second Reading—Defeated.

Debate resumed from the previous day.

HON. E. H. H. HALL (Central) [4.35]: Several members have said that this Bill contains provisions which are against their principles—extension of State trading activities and creation of a monopoly. In view of altered world conditions to-day, however, is it not our duty to examine carefully matters which in the past, under normal conditions, have been regarded as against our principles? We are now being called upon to make sacrifices not only of a monetary nature, but also in point of principle. Some of us find it much easier, unpleasant though it may be, to make the former rather than the latter; but circumstances should be taken into consideration. It has been said that what is economically unavoidable cannot be morally wrong.

Hon. H. Seddon: Do you believe that?

Hon. E. H. H. HALL: If we are to get out of our difficulties with the minimum of suffering, a good many of us will have to alter our ideas if not our principles. In the framing of the Bill three different principles might have been considered—socialisation, rationalisation, and co-operation. Many benefits are claimed by the respective supporters of those systems; but in my opinion the results achieved by co-operation prove that it tends to bring about what we are all anxious to secure, namely, the greatest good to the greatest number. Therefore I regret that the Government apparently have not thought it worth while to try to accomplish something along the lines of co-operation. I hope they will endeavour to move in that direction as regards insurance of crops against both fire and hail. Further, I regret that the insurance companies were not consulted in the framing of the Bill. They have been carry-

ing on a legitimate business for a great number of years in this State, and have deposited large sums of money with the Government. Therefore it would have been only fair to extend that courtesy to them. If a conference had been held between the Government and the companies, arrangements might have been made which would have achieved the objective aimed at by the Bill, namely to reduce the cost of production; and this could have been brought about without the creation of another Government department. It might have been possible to provide for a mutual arrangement whereby the companies could have effected amalgamation. It is admitted that there are far too many companies. Combinations and amalgamations have frequently taken place, especially since the war, with the idea of reducing overhead expenses. There are, as I say, far too many insurance companies, and they have far too many agencies, and far too many palatial buildings in the cities. If only some of the money expended on those buildings had been expended on primary industries in the country, the State and the Commonwealth would now be much better off.

Hon. Sir William Lathlain: But insurance is the business of these companies.

Hon. E. H. H. HALL: It is. They have been using the money of the people in the construction of those buildings. It is with the idea of reducing overhead expenses that the Government seek to create a monopoly under the Bill.

Hon. C. B. Williams: And another of those State trading concerns which you wish to sell.

Hon. E. H. H. HALL: In giving certain employers the right to continue their own workers' compensation insurance, the Government have waived that principle. It is frequently stated that Ministers and members of Parliament do not take action in certain directions because they are afraid of losing political support. That allegation, surely, cannot be made against the present Government. They have been bitterly attacked by many of their political supporters for introducing this Bill. Indeed, I am told that certain Ministers have suffered in other directions owing to the action of certain insurance companies. It is vitally necessary at all times, and especially in this period of stress, that Ministers of the Crown should

carry out their duty to the whole of the people irrespective of any private or business associations. I sincerely trust that certain rumours which have come to my ears are false. Surely men like the Premier and Messrs. Keenan and Davy are just as anxious to maintain the principles of the Nationalist Party as are any other members of that party. I believe the Bill has been introduced because Ministers are convinced that only by such action as this measure provides can industry be given that relief which we all agree should be given.

Hon. C. B. Williams: Even at the expense of the principle of having no State trading concerns.

Hon. E. H. H. HALL: I am not in favour of reducing compensation for the loss of limbs, being of opinion that no monetary payment can fully compensate for such a loss.

Hon. C. B. Williams: Then you will vote against the Bill.

Hon. E. H. H. HALL: Rather than support such deductions I would favour a provision whereby the worker would contribute towards the fund. That would have a good effect in more ways than one.

Hon. C. B. Williams: It would reduce the workers' wages further.

Hon. E. H. H. HALL: Insurance is a good thing, but prevention is even better. That aspect should receive more attention in this Bill. Every effort ought to be made to guard against accidents. It is only right that there should be provision for the men who work in our mining industry, altogether apart from the present measure. I turn now to the best proposal of the Bill, the establishment of a medical board. There has been indulgence in criticism of the medical profession in a manner that borders on the unfair. We should not forget, and it should be mentioned here in Parliament, that many of our doctors render splendid service not only in an honorary capacity in the public hospitals but also in the treatment of indigent private cases. Whatever fate may be in store for the Bill, Ministers and their advisers deserve every credit for bringing it down. If only the proposed medical board is established, the trouble involved in the preparation of the measure will have been worth while. While preserving my right of action during the Committee stage, I have much pleasure in supporting the second reading.

HON. E. H. HARRIS (North-East) [4.43]: Industrial insurance has existed for many years in Western Australia, and is, it may be said, an accepted principle so far as workers are concerned. The Leader of the House went to some pains to justify the introduction of the Bill. He knows that the sole object of the measure is to relieve industry of a heavy financial burden; and I submit that that object could be achieved by amending the existing Act, or, in other words, by reducing the amounts in the Second Schedule to that Act. The Minister read copious notes relating to other Australian States and overseas countries by way of justifying the Bill. He sought to show that every comparison proved Western Australia to be at a disadvantage. I submit, however, that as we have not the bases of industrial insurance in all those countries, the matter introduced by the Minister in that connection is valueless as regards helping members to arrive at a decision whether the amendments proposed by the Bill should be made. The bases in question all vary, and therefore I consider that the information given is of no value for the purposes of the Bill. The appearance of Mr. Baxter in the role of advocate for the establishment of yet another Government activity emphasises the well-worn statement that politics make strange bedfellows; for what he now cheerfully advocates is what he clearly and definitely denied formerly—namely, the advisableness of a Government monopoly. The Bill seeks to limit industrial insurance to a Government department and companies that have already established funds. Therefore, if the Bill becomes an Act, the illegally established authority will be dispensed with and will be supplanted by one with legal status and with wider ramifications than it possesses now. The business at present done by private enterprise will also be set aside. To ensure that the Bill shall achieve what is desired, it goes to the point of prohibition, as the Government propose to call upon industry, with guns in their hands, to pay the premiums and the State will recompense the workers. Past experience of State enterprise has not been encouraging. The buying and selling of timber, iron and other commodities in open competition is vastly different from trading in business worked on an actuarial basis, with compulsory insurance. Companies that have established

their own funds will be allowed to continue operations, but their tenure in that respect will be quite insecure. Clause 14 may be quoted. It sets out that "the Governor may exempt such employer from the liability to make contributions under this Act, and may at any time revoke any such exemption." Therefore employers who have established their own funds—they are limited in number—will be able to continue, but only at the will of the Government.

Hon. Sir Edward Wittenoom: That is a very dangerous provision.

Hon. E. H. HARRIS: Those employers may seek to continue operations as formerly and will be permitted to do so, but nevertheless the Government retain the right to revoke the exemption accorded them. I believe the insurance companies should have the right to compete for business, but it should be conditional upon their accepting other risks. I would recall to hon. members the circumstances attending the inauguration of the illegally constituted State Insurance Office in 1925.

Hon. C. B. Williams: It was necessary and has proved useful.

Hon. E. H. HARRIS: It was necessary to protect workers in the mining industry who come under the Third Schedule.

Hon. H. Stewart: They could be dealt with in another way.

Hon. E. H. HARRIS: They could have been dealt with in half a dozen ways, but I am dealing with the position as we find it in connection with the State Insurance Office.

Hon. C. B. Williams: Without it, those workers would have been left high and dry.

Hon. E. H. HARRIS: The insurance companies were asked to quote for those risks, but they refrained from doing so as they said no information was made available by the Minister of the day to enable them to make the quotes. The men who were dusted in the mining industry were excluded altogether, and the Government therefore established a separate fund. Those risks are dealt with in the Bill. A recent letter addressed by the companies to the Minister cannot be ignored. In that communication, the companies state definitely that they will not quote for that particular type of risk, with the result that the class of employees to whom I refer would have no protection at all, if the position were left at that.

Hon. Sir Edward Wittenoom: The companies had not the necessary details.

Hon. E. H. HARRIS: So they said. We have had five years of experience regarding the operations of the Workers' Compensation Act, and still the insurance companies are not prepared to quote. I do not know whether it is because the Government still refuse to make the necessary information available. This is an opportune time to ask the Government what their intentions are regarding forecasted legislation to amend the Miner's Phthisis Act, the Mines Regulation Act, and the conditions governing the Mine Workers' Relief Fund, so far as the last-mentioned relates to workers' compensation. The Minister for Mines recently convened a conference of goldfields members to discuss this subject, and indicated that he proposed to introduce amending legislation under the three headings I have mentioned. He was desirous of securing an expression of opinion from those representing goldfields constituencies. If the Leader of the House would reveal to us the intentions of the Government regarding that projected legislation, we would then be able to appreciate what they were determined to do regarding outstanding liabilities, which amount to a large sum. If we had that information it would materially assist us in arriving at a proper decision regarding the Bill now before us. I refer particularly to the unfortunate men who have contracted the dread disease of miners' complaint. If there is no insurance available for them, the only alternatives are for those unfortunate workers to be thrown upon the industrial scrap heap, or for the Government to carry the necessary insurances for them. The responsibility for monetary assistance to those who have been shattered in health in the mining industry is apparently to rest with the Government. Contrary to the understanding at the outset, a large number of those workers have not come under the operations of the Workers' Compensation Act, but have been dealt with under the Miner's Phthisis Act. I have in mind the future responsibility and obligations of the Government to see that those affected by pulmonary diseases and engaged in the industry at present, as well as those who will be concerned in the future, shall be adequately catered for. We should know if the legislation that will be submitted to us next session will affect the incidence of insurance rates in future. If

the Minister, when he replies, will indicate what the Government intend to do in that direction, he will materially assist us in arriving at a decision as to whether we shall vote for the second reading of the Bill or help to reject it. Regarding the advantages of the Bill, I shall deal with a few clauses that appeal to me as being beneficial, but I urge the Minister, when replying, to throw a spotlight on the phase I have dealt with, because it is of major importance to those who represent goldfields centres. Among the chief points the Minister made regarding the Bill was the claim that it would relieve industry to the extent of £150,000. That is a laudable objective, but I am forced to wonder whether the calculation is reliable. The insurance companies, with experience extending over many years in connection with such matters, indicated when the Act was amended in 1925, that the rates would be increased 25 per cent. We have since been informed by them that they were wide of the mark and that they had lost considerably. If the effect of the Bill were to relieve industry to the extent indicated, it is an end that we can all desire. The present Act has been described as the best workers' compensation measure in the world. It has frequently been said that the only hope for the future is in the reduction of the costs of production. I remember the Prime Minister (Mr. Scullin), the Premier (Sir James Mitchell), Mr. Collier and Sir Otto Niemeyer all saying that the cost of production was too high. Yet each one has failed to indicate in what direction he considered the cost of production should be reduced. They were all afraid to say that the only alternative to a continuance of present costs, was that effective cuts would have to be made in wages, salaries and interest. The remarkable feature is while industry has been crying out for relief in the cost of production, there were available in this State opportunities for the insurance of employees with the State Insurance Office, as indicated during the debate, at a reduced cost of 20 per cent. Firms have declined to go to the State Insurance Office in order to relieve them to the extent of 4s. in the pound on their insurance rates. Naturally we are inclined to ask why that should be.

Hon. Sir William Lathlain: They did not trust the State concern.

Hon. E. H. HARRIS: That may be the reason. Whereas firms declined to avail themselves of that avenue for reducing costs, I am convinced that if housewives had the opportunity to buy their requirements 20 per cent. cheaper at one shop than at another, they would certainly patronise the firm that provided such an opportunity. Housewives would not be concerned whether the Government had control or not. Another feature of the Bill is that injured workers will receive their compensation irrespective of whether or not their premiums have been paid. I regard that as a wonderful clause. It means that even though the premiums are not paid, the Government will pay compensation to the injured worker and those responsible for the non-payment of the premiums will be liable to a fine and the payment of a double premium.

Hon. J. Nicholson: If a man had no money, where would we be?

Hon. E. H. HARRIS: There are many people employing others at present and they have no money. They are making a profit out of the people they employ. The Government, in effect say, "If he fails to pay, we will pay."

Hon. J. T. Franklin: The Government will not know what their liabilities are.

Hon. J. Nicholson: They will require a big fund.

Hon. E. H. HARRIS: It means that the defaulting employer will have his liabilities paid by the State, and, in turn, that loss will be made up by adding to the premiums payable on other risks.

Hon. J. Nicholson: Or an increase in the deficit.

Hon. E. H. HARRIS: It means that industry will be called upon to pay and thereby relieve Consolidated Revenue. Any bad debt would be made good out of State funds.

Hon. J. Nicholson: And the rates of insurance would be considerably increased.

Hon. E. H. HARRIS: Well, that is possible. There is another important point which raises this pertinent query: If the Bill should fail to pass, will the compensation to workers be as heretofore? It has been alleged that the Government intend to retire from the business of insurance through the illegally established State trading concern. At the Premiers' Conference it was decided to effect a 20 per cent. reduction in all Government controllable expenditure. It is not very clear just what that covers; that is a matter on which we would like

some further information. What I want the Minister to tell me is, whether this is Government controllable expenditure? If the Bill fails to pass, is it the intention of the Government to reduce workers' compensation by 20 per cent. in accordance with the decision of the Premiers' Conference? I am wondering if that decision is amongst the various reasons that have prompted the introduction of this measure.

Hon. J. Nicholson: It suggests the idea that this measure should have been brought in after the three Bills giving effect to the Premiers' Conference Plan.

Hon. E. H. HARRIS: That would have been a wise course to adopt. To-day our public men are appealing to the bondholders for voluntary conversion. This Bill will compulsorily convert to a Government monopoly the insurance of the workers. I ask whether the expedient of 1925, when the Government were forced by the boycott of the insurance companies to establish their own insurance fund, and the experience since gained on the Treasury benches, has whetted the Government's appetite to establish permanently the State Insurance Office, but to make it legal, to give it an official standard? The huge surplus now created, £184,000, would be very handy to a distracted Treasurer with a lean Treasury. He would probably say, "The more trust funds available, the better for the Government."

Hon. J. Nicholson: A very important thing, that.

Hon. E. H. HARRIS: At the present moment any Treasurer would be glad to have reserve funds that he might use temporarily for some other purpose. In the insurance business it is essential that reserve funds should be provided, in case of emergency. As I pointed out just now, the Government are going to pay the compensation irrespective of whether the employer has paid the premiums. In, say, a coal mining disaster, 40 or 50 men might lose their lives, and the Government would be responsible for £750 for each fatality, and so would need to have a substantial reserve fund from which to pay. Again, if a Government monopoly be established and there is a substantial reserve fund, we may find this insurance reserve becoming the plaything of politics. Members can imagine that one cardinal point of the political programme would be: "The Government have a substantial reserve fund under the Workers'

Compensation Act and, if returned to power, they will increase the benefits to the workers by 25 per cent. or 50 per cent., as the case may be." It could be said: "The Government have the money in hand, and the reward for voting to put them into power is that they will utilise that money for the paying of increased compensation to injured workers."

Hon. J. Nicholson: It would be a bribe to the voters.

Hon. E. H. HARRIS: Even that term might be used. Bribes for votes have been given before to-day, and will be given again in the future. Under the Bill the workers are going to suffer a reduction of, roughly, 30 per cent. in the payments they will receive. It will be an opportune time for some party to come out and appeal to the industrialists of Western Australia to return that party to power in order that they can restore to the workers what was taken from them in 1931. The assessments are to be subject to revision at any time, and so there will be nothing to prevent a rate of, say, 20 per cent. being increased to 30 per cent. The employer may have to pay to correct the error. But I suggest that, if an error occur by the charging of an excessive rate, there is in the Bill no provision whereby a reduction would be made and the employer credited with the amount for which he had overpaid for that class of insurance. It may be assumed that, the Government having fixed the rate it would apply one way only, that is to say, to increase the rates, but not to reduce them. I understand that when the insurance companies fix their rate for a period, it stands. But that is not so with the State Insurance Office. I could mention instances of a rate being quoted to contractors in the sleeper industry and, as the result of numerous accidents, those contractors being notified that the premium had been raised.

The DEPUTY PRESIDENT: Order! During the whole of this sitting there have been little conferences going on between groups of members. It is totally unwarranted, and unfair to the member speaking. I hope these conferences will be discontinued or, alternatively, that those indulging in them will go outside and hold them.

Hon. E. H. HARRIS: In those circumstances the insurers have indicated to the Government Actuary that the Minister con-

trolling the department had made a statement in a public place declaring that the rates would not be increased. However, the Government Actuary insisted on increasing the rates for that class of business, and covered up the remark made by the Minister that rates would not be increased, by stating that he had referred to general rates only. It was not to apply generally, but it enabled the Government Actuary to demand a higher rate for that class of insurance. Now, if members will look at Clause 46—to which I think no reference has been made in the course of the debate—they will find it reads as follows:—

No policy of insurance subsisting at the date of the commencement of this Act shall be abrogated by the passing of this Act.

In other words, no policy that is current at the date of this Bill becoming an Act—should that happen—shall be abrogated; that is to say, it shall cease forthwith and from that moment the injured worker is not covered. Now let me quote from the policy that is issued by the insurance companies. This is the uniform employers' indemnity policy, and it contains these words—

It is hereby agreed that if, at any time during the said period, subject to the receipt of premium as provided hereunder, or during the continuance of this policy by renewal, any workman in the employer's immediate service shall sustain any personal injury by accident while engaged in the service of the employer in work forming part of or process in the business above mentioned, and in case the employer shall be liable to make compensation for such injury under the Employers' Liability Act, 1894, or the Workers' Compensation Act, 1912-24, as proclaimed before the commencement or last renewal of this insurance, the company shall indemnify the employer against all sums for which the employer shall be so liable, and will in addition be responsible for all costs and expenses incurred with its consent in connection with any claim for such compensation.

The clause provides that the policies held by private people shall immediately cease and, as I say, the worker from that moment is not covered. If we would examine the method whereby the Government will protect the workers, we must turn to Subclause (2) of Clause 46, which provides that after the commencement of the Act the commission accepts the responsibility to pay the worker. It reads as follows:—

In regard to any accident happening after the date aforesaid, the insurer shall be liable

to indemnify the commission to the same extent as such insurer would have been liable to indemnify the employer if this Act had not been passed.

Now, when we turn to Clause 19, we find that as soon as it is practicable, should the Bill pass, the commission, for the purpose of making assessments, shall divide into classes the various industries in which employers are engaged, and the occupations in which the workers are engaged in the various industries, and as soon as that classification is confirmed by the Minister, it is binding and effectual for the purposes of the Act. But there is a proviso to Clause 19 as follows:—

Provided that the assessments for the year current at the commencement of this Act may be made before any such classification has been completed.

Let us assume the Bill passed to-day and came into operation next Monday. All the insurance policies on the workers to-day would cease. The Government would take the responsibility and, as provided by the Act, the Government Actuary would immediately set out to divide all industries into classes. Whether that would take him a day, a week or a month, I do not know, but in the meantime no worker in Western Australia will be insured. After the classification, the assessment notices will be sent out to these various employers. So, in the meantime, no worker will be insured. That is what I say the Bill provides, and if the Minister can assure me it is not so, he might thereby render a good service to the House. As to financing the risk the Government are going to undertake, if we turn to Clause 13 we find it provided that, for the purposes of this Act, there shall be established a fund called the Workers' Compensation Fund, which shall be kept at the Treasury, but shall be operated upon by the commission. To establish the fund from which premiums will be paid, do the Government intend to take a sum of money out of Consolidated Revenue?

Hon. J. Nicholson: It will be out of an empty Treasury.

Hon. E. H. HARRIS: Clause 20 provides that, before making any annual assessment, the Government Actuary shall take into account what moneys are already in the fund. What fund? The fund to be established? It will be all right after the scheme has been operating for a time, but what moneys will

there be in the fund at the outset? The natural assumption is that the surpluses held by the Government against present insurances will be utilised for the purpose. A few days ago I asked the Minister what profit had been made, and he replied that the surplus on general, Government employees and Third Schedule insurance was £184,000. Assuming that the Government utilised that money to establish the fund, what will happen to the men who have been turned down by the gold mining industry and are being paid under the Miners' Phthisis Act, and what will become of the outstanding liabilities which the Government have incurred, but the amount of which the Minister, in reply to a question, said was unknown. Obviously the money cannot be utilised for both purposes—to compensate the men who are debarred from working in the industry and also to establish the fund. I should like the Minister to explain where the money will be obtained. The matter of waiting time needs consideration. Under the 1912 Act an injured worker was not paid from the date of the accident. In 1925 we amended the Act, and at that time I remember its being argued that every man who had met with an accident had been on the fund for at least 12 days. Union and friendly society secretaries can tell us that as soon as a man got a medical certificate, he said, "That is another 12 days pay." They were not paid for the first three days unless the disability lasted for 12 days, and so they stood off for the 12 days in order to get payment for the whole period. The Bill seeks to amend the period to seven days. An injured worker will not be paid for the first three days unless he is incapacitated for seven days.

Hon. C. B. Williams: That would take in Sunday.

Hon. E. H. HARRIS: That is the point to which I am coming. Why have the Government adopted a period of seven days? There are six working days in the week, but Sunday has to be considered. According to Clause 36, an injured worker would not be paid for the first three days. The provision reads:—

The commission shall not be liable to pay compensation under this Act for incapacity in respect of an injury which does not disable the worker for a period of at least three days from earning full wages at the work at which he was employed; and in any case in which the injury does not so disable the worker for at least seven days, the commis-

sion shall not be liable to pay any such compensation under this Act in respect of the seventy-two hours next following the time when the accident happened.

Hon. C. B. Williams: That will include the Sunday also.

Hon. E. H. HARRIS: I want to know what it does include. Why have the Government adopted the seven-day period when there are normally six working days in the week? The gold mining industry, however, is a continuous process. Men work 13 out of every 14 days. A man employed in a factory or a grocer's shop, who is also insured, does not work on Sunday. But the Bill definitely states that no payment shall be made in respect of the seventy-two hours next following the time when the accident happened. Therefore, a worker in a continuous process might lose another day, namely the Sunday on which he would have worked had he not been injured. In the gold mining industry the underground men have a 44-hour week and the surface men a 48-hour week. Suppose a man met with an accident on Monday, and was disabled for seven days, for the Tuesday, Wednesday, and Thursday there would be no pay. Friday would be one day and Saturday half a day. Would the man be paid for a full day or a half-day in respect of Saturday? Would one man be paid for the Sunday he would have worked as against another man for the Saturday when he would not have worked? Unless the intention is expressed more clearly, anomalies and injustices will arise in compensating the workers engaged in the mining industry.

Hon. H. Seddon: That seems to be faulty drafting.

Hon. E. H. HARRIS: I suppose the draftsman did as he was told, but whoever was responsible for the Bill has not taken into account a continuous process or allowed for the difference.

Hon. J. Nicholson: Your whole criticism of the Bill indicates bad drafting.

Hon. E. H. HARRIS: After a man has met with an accident, his resumption of work is chiefly determined by the medical officer. It may be of interest to members to know that gold miners, timber workers and, I understand, coal miners who meet with an accident are entitled to receive medical attention by reason of having subscribed, as a condition of employment, to a medical fund or to a doctor. A man who works in the mining

industry pays a sum of money agreed upon between the unions and the companies for medical aid. That entitles him to attention if he meets with an injury. If he sustains a broken finger, the doctor is paid. That subscription does not provide for operations, but it covers the miner, his wife and family.

Hon. C. B. Williams: It is an excellent idea.

Hon. E. H. HARRIS: I agree. The medical man, who is paid a fee to attend an injured mine worker, presents a bill under the Workers' Compensation Act. He gets it both ways—from the worker who has been subscribing to the fund, probably for many years, and also from the insurance company.

Hon. J. Nicholson: The doctor is paid twice over?

Hon. E. H. HARRIS: Yes.

Hon. G. Fraser: Is there any instance where he has been so paid?

Hon. E. H. HARRIS: The doctor, who gets a fee from the insurance company and from the worker, determines when the man is fit to return to work. I could quote an instance of a medical man who had an interest in a hospital conducted by another party. If a person was injured, he was advised to go to that hospital. An injured worker says to the medical officer, "I am in my sixth day. If I go back to work to-morrow, I shall lose three days compensation. Give me a certificate to-morrow." The doctor would get 10s. 6d. for issuing the medical certificate and would defer it for a day in order that the worker might collect compensation for the three days that the Government are endeavouring to eliminate.

Hon. C. B. Williams: The man might be anxious to get back to work.

Hon. E. H. HARRIS: If he was a contractor making £2 a day and had someone in his place, there might be a certain anxiety on his part to get back to work. The existing Act provides that a man shall receive compensation from the date of the accident, but this Bill will eliminate the first three days unless the disability extends over seven days. Consequently the three days waiting time is not likely to operate while the doctor is paid in that way.

Hon. C. B. Williams: It is more likely to add to the cost of insurance.

Hon. E. H. HARRIS: Yes. A wages man on the basic rate of 13s. per day would receive £4 11s. for seven days work. When

on accident pay, he would receive half rates. Consequently, if he were disabled for seven days, the half pay for that period would be £2 5s. 6d. Obviously he would lose £2 5s. 6d. by being off duty. If he remained off for three days, he would lose £1 19s.; if he was off four days, he would lose the £1 19s. plus a half day's pay for the fourth day, a total of £2 5s. 6d. If he was off for five days, his loss would be £1 19s. plus 13s. for the two half-days, a total of £2 12s. For six days he would lose £1 19s. for the three days, plus 18s. 6d. for the three half-days, a total of £2 17s. 6d. Consequently, the man who was off for four days would lose £2 5s. 6d. and then return to work, while the man who was off seven days would also lose £2 5s. 6d. Therefore the penalty for returning to work before the expiration of the seven days would be £1 19s.

Hon. J. Nicholson: I do not think the scheme could have been properly worked out.

Hon. E. H. HARRIS: That is how it will work out.

Hon. J. Nicholson: The thing is wrong.

Hon. H. Seddon: And for the six days he would lose £2 17s. 6d.

Hon. E. H. HARRIS: Yes. Let us now examine the case of the worker who has children, for each of whom he would be entitled to receive 7s. 6d. per week. I do not know whether this means six days or seven, or 44 or 48 hours a week. This man's disability would vary according to the number of children. I have worked it out on the basis of three. If he got 7s. 6d. a week it would work out at 1s. 1d. per day for each child. If he were off for more than three days, the children would come to his aid by bringing in 7s. 6d. a week each. If he stays off the three days he loses £2 5s. 6d., and if he stays away for seven days, he will lose £1 12s. 6d., and suffer as much as he did before, but he will have that time off. If that is what was intended by the Bill, it will need some examination in Committee. I will now like to refer to medical expenses. Here is a case of a man who worked in a newspaper office and who received 15s. compensation and medical expenses £4 4s. The existing Act provides that aborigines are entitled to compensation. A native was injured, which necessitated a trip of 180 miles by the doctor of the district. That doctor put in a bill for

180 miles at 8s. per mile, a total of £72. consultation re injured native, £1 1s., total £73 1s. The claim for compensation was repudiated and referred to the British Medical Association, who subsequently reduced the bill to £21. This was done because the employer provided transport at a cost of £20. The comment on this is as follows:—

We naturally took exception to the account originally received, in view of the fact that the employer provided the conveyance, cost £20, so that even allowing for two days' absence from the surgery and a possible loss of income for that period, the fact of such a charge being in accordance with the B.M.A. scale of charges serves to emphasise the necessity for a control or limitation of these expenses, which unfortunately the present Act does not adequately provide. Other accounts have also been questioned, including one from a doctor in this district for £11 11s. fee for three weeks' treatment of a poisoned finger, representing a daily visit during the whole period of incapacity. We contended that whilst a daily visit might have been necessary during the early portion of the period, it could have been gradually discontinued during the final stages of recovery. This account was also adjudicated upon by the B.M.A. committee, who approved of the charge as being in accordance with the B.M.A. schedule of charges.

Under this Bill, natives are excluded. Provision is made for a medical board. This appears to me to be a step in the right direction, one that, judging from instances which have been quoted, is necessary. By this means the best medical aid will be provided for injured persons. The board will be vested with great powers, which perhaps may be necessary. They will have all the powers of a Royal Commission. With regard to the classification of industry, I foresee that injustices may arise. There will be no appeal. Immediately the actuary frames what he thinks is right and submits it to the Minister, that is the end of the matter. This may lead to the focussing together of two industries. No opportunity will be afforded to make any representations to the Minister to show that the amalgamation is an unfair one. It may, for instance, be an amalgamation between the railway men and the railway officers, or some similar amalgamation. No chance of any appeal will be given. Provision is made for the classification of various industries. In the case of industries that may be bulked together under a rate approved by the Minister, no provision exists for representations to be made by those who have to pay. Such provision should be made. As Sir Edward

Wittenoom said, the Bill is good in parts. Some of it is pretty raw and may be likened to a burnt offering, good in part. Having regard to the conflict of opinion amongst members, I think the Government would be wise to withdraw the Bill. I say that, having regard for what is happening in the mining industry. We were given a gold bonus, but that is to be cut down by half. We are now benefiting by the premium on exchange rates. On the strength of these two factors, many promises have been made to invest considerable capital in this country. The Minister for Mines indicated the Government were going to relieve the industry of some of its burdens by reducing the premiums, and this will be very acceptable. These things should have a material bearing upon insurance companies quoting for the Third Schedule risks. If the Minister were to take all the folk coming under the Third Schedule, and establish a provident or some other fund from which these men would be paid, all those affected to date could be compensated by the Government, and if the £126,000 involved in that class of worker is not sufficient, the remainder would have to come out of Consolidated Revenue. We are nearly at the end of the present session. I presume that in two or three weeks we shall be entering upon the new session. It would be advisable, therefore, for the Government to bring down a Bill that would be acceptable to all classes of the community, particularly those engaged in the mining industry. It has been suggested that possibly they could so frame a Bill that instead of vesting the power in three Commissioners, they could police the legislation by appointing three independent men, one of whom would require to be an actuary. These men would frame the basis on which compensation premiums would be fixed. Under our arbitration laws a minimum rate of pay is provided for. I suggest if we had such a board as this, they might decide to fix the maximum rate. If a minimum rate were fixed, there would be no hold upon the maximum, but if a maximum were fixed for the various classes of insurance, open competition would prevail, and if the Government then determined to carry out this class of insurance, they could do so. Should this Bill survive the second reading, there will be ample opportunity for members to deal with it in Committee. I suggest that if the Bill does emerge from the Committee stage, a comparison made be-

tween the measure as it is now and what it will be then will be like the comparison between a man who has just come from the bush and who has been getting a trim-up, a hair-cut and a shave—its identity will scarcely be known.

HON. H. STEWART (South-East) [5.43]: I regret that the Act itself has not been utilised as the basis for amendment.

Hon. J. Nicholson: That would have been the proper course.

Hon. H. STEWART: In the hon. member's opinion.

Hon. J. Nicholson: And I hope in Mr. Stewart's opinion.

The DEPUTY PRESIDENT: Order! Mr. Nicholson has expressed his opinion, and I hope he will give Mr. Stewart the chance to do likewise.

Hon. H. STEWART: There is no doubt that abuses have developed in connection with the medical services and also in connection with workers' claims upon insurance companies. In my judgment the Government could have endeavoured to rectify the anomalies and abuses by providing for the appointment of a medical board, with the object of seeing that any persons who were injured in industry were restored as far as this was possible, and that they were adequately compensated. I think, too, the Government could have met the position with the companies by arranging that they should lodge maximum rates, as suggested by Mr. Harris. If these rates were acceptable, they could be agreed to as a condition that the companies were to be allowed to engage in this type of insurance. If they were not acceptable to the Government, the companies should be debarred from participating in the business. Further, that the companies that are allowed to participate should annually, and promptly also, lodge returns to show that they had done business uniformly and fairly covering all classes of risks. Then it should be at the option of the department administering the Act whether the companies should be permitted to operate further in the event of their taking the cream of the business and leaving to the Government, as they have been doing, the greater risks such as those connected with timber, mining and other industries. There would be ample justification then for debarring such companies from participating in any further business. There should also be alterations to prevent

abuses by workers. We know there have been abuses, and the Bill has been amended to prevent those abuses being continued. Also, as Mr. Harris and others have suggested, we should remove the accumulated incubus that has resulted from miners' disease over a long period of years, which is not a fair impost upon current contributions to that industry. It is not one about which there should be a possibility of premiums in other industries being increased to carry that burden. In my judgment it is preferable to build upon an existing process rather than bring in something new and drastic, especially at a time such as the present. According to the data supplied from official sources, the companies have undoubtedly not played the game in connection with workers' compensation insurance. Their business, they consider, has been unprofitable, and yet they want to be permitted to continue. They should be only too glad to be relieved of an unprofitable branch of their work, and so have full scope to conduct profitable business in other directions. As the previous speaker said, the cost of production must come down, and a grave responsibility will rest on those who intend to vote against the second reading rather than assist the measure to get to the Committee stage, and there endeavour to secure amendments. The Bill is essentially one to be dealt with in Committee, where we should be able to arrive at a satisfactory solution of the difficulties. I do not intend to deal exhaustively with the clauses, principally because of my recent absence from the State, an absence which by the way, was not on account of private business. Consequently I have not been able to go fully into the clauses and the schedule. At the same time I desire to direct attention to several of the clauses. Clause 4 brings in contractors and makes the employer liable for the contractor's contribution to the compensation. This is a principle that has never been accepted by this House. In many of these instances contractors are outside the control or the supervision of the employer, and consequently it is not right that the employer should be responsible. With regard to Clause 5, I should like to ask why the police force are excluded from the Bill. Clause 15, which deals with the annual contributions to the fund, should set out em-

phatically that, primarily contributions should be in accordance with the actuarial risk in the occupation or avocation in each industry. The clause, as it is drafted, does not sufficiently emphasise that. It is really the most important factor that should be weighed in connection with the fixing of the rates. Other points that have been taken into account follow naturally, and are not so important. That is, the number of workers the employers will employ during the year, and the amount of wages of such workers; but it has not been made sufficiently clear that the rates should be fixed according to each occupation. It is not fair and equitable that each industry should bear only the risk of that industry to enable it to withstand competition. In the Bill this has not been sufficiently emphasised and provided for. Clause 30, it seems to me, also requires consideration. It deals with the collection of contributions from employers of workers engaged in domestic service, or charitable undertakings, and provides that the commission may by regulation collect those contributions. I want an adequate reason why this matter should be left to the option of the commission. Clause 31 brings into the Bill something that it has been repeatedly stated in this House by Ministers could not be done. It provides that imposts shall be collected from the Crown. Repeatedly we have been told in this House that such a thing could not be done, notably in connection with the Vermin Act, under which settlers have been compelled to take action to keep down pests. It has been pointed out that the expenditure incurred by settlers proved futile because the Government, possessing Crown lands or, abandoned properties infested with vermin, permitted those properties to remain infested. Thus it seems to me inconsistent to be told that liabilities arising under the measure against any State undertaking may be enforced by legal proceedings. This certainly gives rise to a new issue.

Hon. J. Nicholson: Do you not think that the definition of "State undertakings" might have application there?

Hon. H. STEWART: The Crown is the Crown, and such proceedings then should apply equally, for instance, to the Agricultural Bank.

Hon. J. Nicholson: I think your argument is sound.

Hon. H. STEWART: We all commend the clauses dealing with the appointment of the medical board. That board should prove of great value in connection with the administration of the measure, and it could have been made to apply to the legislation at present in force. Clause 6, to my mind, is most important. At present there is a State insurance department, but it has no legal standing. It has been in existence, as Mr. Harris pointed out, since 1925. To know that that is the case is a travesty on Parliamentary procedure and administration. I understand that if the commission is appointed the Government will retire absolutely from all insurance, apart from workers' compensation business. If that is so the position will be cleared up, and it will remove the possibility of the commission being looked upon in the light of a business undertaking. I dislike the commission as proposed. In my opinion it would have been better to amend the existing legislation and give the companies the opportunity to operate after they had qualified by quoting suitable rates. Subsequently the returns would show that they were doing a fair and reasonable business, and covering all risks. Then, if necessary, at a later stage the commission could have been appointed to deal with workers' compensation in competition with them. If it was decided that there should be a Government monopoly, then one commissioner could be appointed to take the place of the commission. We have in connection with the forests of the State an industry of great importance, and involving the expenditure of a considerable amount of money. In charge of that industry we have a commissioner, who is appointed for seven years. He is given freedom of action, and has to carry out under the control of a Minister the policy set out by the Forests Act. Similarly the Main Roads Commissioner is appointed by the Governor in Council for five years, and must be a trained engineer experienced in modern road construction. A commissioner appointed by the Governor in Council for a reasonable term, and being a fully qualified actuary with previous experience of insurance business, would be the best means of meeting the position. In such matters I do not believe in divided control. As regards the Arbitration Court, the representatives of employers and employees might well be discarded, too. The value of the two additional members of the

commission under this Bill being estimated at only £150 per annum, there seems ample justification for eliminating them. The interests of both employers and employees being involved, we may confidently anticipate that whether there is competition by companies or insurance is in the hands of a monopoly, rates will be keenly watched. On the delivery of the annual reports there will be opportunities for comparing costs and efficiency here with costs and efficiency in other States; and then representations can be made to the Minister if the administration is not satisfactory. Should representatives of employers and workers be deemed indispensable, there might be an advisory board comprising such representatives, but only to be called together on special occasions. For the present, however, I consider the extra two members of the proposed commission quite unnecessary. Like many other members, I dislike the extension of governmental activities. I should be glad to see many of those now in existence—I refer not to the State trading concerns but to water supply, sewerage, and electricity—handed over to local governing authorities, under which the control would be more efficient. Moreover, under those conditions we should eliminate the possibility of what takes place in many elections, as well as various considerations which are allowed, consciously or unconsciously, to influence legislation. There are further advantages involved which I shall not enumerate at this stage. While disliking, as I say, the extension of governmental activities, I regard the industrial health and fitness of the workers as the fundamental principle of this Bill. If the Public Health Department is a justifiable Government activity, then workers' compensation is equally so. In fact, workers' compensation insurance might well be made a branch of the Public Health Department. Had the measure made such a proposal, many of the arguments used against it could not have been raised. Open competition is always conducive to efficiency and economy, and if the existing Act had been amended in such a way as to give the private companies a further chance tentatively, they might have been able to justify that consideration by their future actions. The House may decide that workers' compensation insurance is a justifiable province for the Government to invade. However, as I have said, workers' compensation insurance

could be operated as a function of the Public Health Department. I shall vote for the second reading, reserving freedom to consider any point raised in Committee. I hold that any hon. member who under existing conditions, and in view of the necessity for lowering production costs, votes against the second reading will be taking upon himself a grave responsibility.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [6.7]: I shall be brief, because many members have dealt with the Bill in detail already. At the same time, I do not desire to cast a silent vote. Various thoughts which have occurred to me in regard to the Bill should, I feel, be voiced. The prosperous times which the State has experienced over many years have led Parliaments to legislate in such a manner that the benefits derived by certain sections of the community shall be distributed over the people as a whole. The workers of Western Australia have from time to time had the compensation schedules advanced. The reverse of good times is with us now, and values are necessarily in the melting pot, adjustments being due. It has fallen to the present Government's lot to perform this unenviable task, and to me it seems hard that they should be charged with inhumanity in their proposal to reduce the amounts under the Second Schedule. Is there not greater inhumanity, however, in preventing the worker from obtaining work, whereby not only himself but his wife and children are affected? This is happening now, and unemployment will be augmented unless relief is granted in the way the Government are attempting by this and other Bills. I sympathise with Ministers in their job, and in the odium attaching to it, and look forward to improved times permitting a reconsideration of the schedule. I am one of those who believe that no sum expressed in money can adequately recompense the loss of a limb, or sight, or hearing, and that provision should be made in industry for compensation. The application of a high schedule rate might, however, destroy the value of this intention, as has been shown by the cases of proved self-mutilation which have been cited, and by the words of Mr. Williams regarding dusted miners who continue on to a suicidal end in order to secure benefits to their wives and children under 16 years of age. It is unquestionable that the workers' compensation fund has been

exploited on all hands, and that the cost has become too high for industry to bear. It looks as if the insurance companies have followed the line of least resistance by passing on the cost from time to time in higher premiums, rather than fighting or having a public protest made, until now they have to answer to the charge of being the most expensive or extravagant specialists of this kind in Australia and creating in the Ministerial mind an impression that something different is necessary; whence the commission idea. Some doctors have also been making a welter of the opportunity, especially in the minor injuries class, which I have held, and now hold more definitely, since industry has been called on to support a hospital tax, should be dealt with at all institutions subsidised by this fund. However, the recommendations of the medical board proposed by the Bill will, in a great measure, correct this evil. Employers have helped in their way also, by recommending employees to join the fund, so saving 50 per cent. or more of a week's wages. Hon. members have cited cases where employees have deliberately sacrificed joints for a lump sum. I am at one with Mr. Williams as to the waiting period. I hold that Parliament could be charged with paltriness and inhumanity in including that provision in the Bill. Any evils which have presented themselves in this connection could be corrected. As regards the waiting period, I personally shall be prepared to support any suitable amendment. While desiring to give the Government all credit due to them for this Bill, I differ from them on the question of elimination of competition. I have looked at the matter from all angles, and feel that those who claim it is wrong to eliminate competition have justification for their complaint. The 60 insurance companies are a big factor in the life of the community, employing citizens and investing funds for the development of the State. I feel that the Government should accept the assurance of a 30 per cent. reduction upon the amendment of the Second Schedule, particularly as such a step would reduce the value of the financial relief which the Government claim their action will give to industry. An arrangement of this sort would remove all doubts as to the Government's desire to create a new State industry, and would leave no opportunity for any future Labour Government to build into the measure extra cost which would not come before Parlia-

ment for ratification. I am persuaded that there is a risk of this kind, since State insurance as now conducted has never received this Chamber's ratification. Twice this House has voted it out, and nevertheless it has been carried on for years. That fact leaves little to the imagination regarding what would be done with the present Bill as an Act upon a Labour Government coming into power. Having stated that I cannot support the Government on the monopoly aspect, I need not dwell on the question of the proposed commission, to which I am also opposed. To my mind, the personnel of the commission lends colour to the charge that the Government desire to create another State activity.

Sitting suspended from 6.15 to 7.30 p.m.

HON. J. M. MACFARLANE: Reverting to my references to the offer made by the insurance companies to effect a 30 per cent. reduction in their costs, after giving the whole matter further consideration, it appears to me that in that offer there is evidence of still other avenues to be explored for the improvement of the Act. In common with Mr. Harris, therefore, I suggest to the Minister that it would be well, even at this stage, to withdraw the Bill so that a measure may be submitted to Parliament later on more in conformity with the evident desires of hon. members. If that is not possible, then my vote will be cast against the second reading of the Bill. I have studied the suggested amendments but I cannot see in them much that can improve the measure. The only course I can adopt is to oppose the second reading and thus enable the Government to give further consideration to the matter with a view to introducing further legislation later on. Those, briefly, are my views and having made my position clear, I shall vote against the second reading.

HON. E. H. GRAY (West) [7.33]: The Bill is important, and I desire to express my opinion regarding its provisions rather than cast a silent vote. I regret the Government have seen fit to introduce legislation of such a character that so vitally affects the workers, at a time when their position is more serious than ever before in the history of the State. Such legislation must cause keen resentment among workers in industry. It

will be construed as one of the means by which the standard of living of the workers is to be reduced. Admitting that the provisions of the Workers' Compensation Act have been abused by certain individuals, mostly aliens, and by some members of the medical profession, that does not justify the introduction of such legislation. Not only will it place the workers at a disadvantage, but already its provisions have raised a storm of protest from varied business interests. We are told that this is a time for unity and not dissension, when concerted action is necessary to deal with the frightful position of thousands of our citizens, who are in dire distress. To my mind an exhaustive inquiry by a competent tribunal should precede any amendment of legislation, such as the Workers' Compensation Act. Compensation fund abuses of the Second Schedule cannot justify such drastic amendments as the Bill seeks to provide. References have been made by some hon. members to mutilations of limbs by workers who have sought to secure the advantage of what has been termed the excessive compensation provided in the Second Schedule. Inquiries show that six-sevenths of those abuses have been caused by aliens, and, as Mr. Kitson stated, there should be some means of excluding people of that character from the benefits of the Act, without penalising honourable workers to the extent of the comprehensive reductions set out in the schedule to the Bill. Control by a commission may prove to be a vast improvement, and while we may admit that some improvement is necessary, I cannot understand any Government introducing a Bill such as that before us. It reminds me of the bewildered hen that brought out goslings from the eggs she hatched. There is no question but that the Nationalist Party representatives in this Chamber and at least some of the Country Party members, have been bewildered by the proposals of the present Government. During my association with this Chamber, I have not before seen any measure brought forward that has so aroused resentment among such varied political parties. In this Chamber the ultra Conservatives, the moderate Labourites and the advanced Labourites have combined to condemn the Bill. In view of the expressions of opinions already heard, it seems almost incredible that the Bill can secure a successful passage. The establishment of a medical board would be

an innovation. I think it would be an improvement, but in fairness to the medical profession, something should be said in their defence. It is a fact that some members of that profession have taken advantage ruthlessly of the money to be gained under the provisions of the Workers' Compensation Act. Nevertheless, we must remember that at present, and for a considerable time past, doctors have carried more than their fair load in connection with the distress that prevails throughout the country, due to the unemployment crisis. It can be regarded as a conservative estimate that there are over 100,000 men, women and children affected by unemployment at present. Without any fuss or advertisement whatever, almost without exception the members of the medical profession are providing free medical service to a vast proportion of our population. We must remember that fact when we set out to criticise the actions of some doctors. I have an intimate knowledge of the position in the province I represent, and I can say that all the doctors, when called upon, are ever ready and willing to attend, without fee, to the requirements of the vast army of unemployed. In those circumstances we must temper our criticism with fairness. I have a pamphlet that the British Medical Association circulated amongst members in order to place their views before us. They have done so with considerable fairness, and I propose to read the first page of the document so as to have it recorded in "Hansard." I shall do so in fairness to the profession as a whole, and in fairness to the memory of a former member of this Chamber, the late Dr. Saw, who was an ornament to the profession and to the life of the community. The portion of the pamphlet I desire to have recorded is as follows:—

Workers' Compensation Act.

General Medical Viewpoint—Issued under authority of the B.M.A. Council of W.A.

Workers' Compensation Acts function in all civilised countries to return the injured worker to duty as quickly and as fit as possible. Nowhere is the worker asked to contribute; the financial burden of such accidents is accepted as a normal liability of the industry concerned.

Considerations of cost, including medical, must vision the future as well as the present. Excessive economy results frequently in only partial recovery. To the community, the ultimate burden of such unfit workers is far greater than the present savings. To the worker, such policy does not accord fair play; as an industrial victim he is entitled to at

least as thorough repair as the machinery he uses. Efficient medical aid is the right of the injured worker, and lessens compensation liability.

The medical profession has now almost unanimously accepted as a principle, that fees charged under the Act are based on what would be the reasonable fee to charge such an individual patient when not entitled to compensation.

The B.M.A. Council, representing over 80 per cent. of the 300 odd medical men in this State, is willing and anxious to co-operate in all possible ways, in order to make a successful scheme, giving adequate treatment to the worker.

But the repair of industrial machinery is a charge on the industry concerned; it is not a charity expected of any section of the community. Therefore, the B.M.A. trusts that Parliament will not attempt to make the repair of human industrial machinery entirely a charge on the charity of the medical community, as it was in the much-quoted 1912 Act.

If this sacrifice is expected of doctors, and exactly the same basis of reasoning is applied to Parliament, members should be expected to attend sessions practically without salary, meet all expenses from their own pockets, and afterwards endeavour to collect from their grateful constituents for services rendered. Similarly, insurance managers and staffs, who quote the 1912 Act almost reverently as perfection, would do Workers' Compensation Act work without wages, paying their own costs and hoping for remuneration from the injured man after he resumed work.

Hon. C. B. Williams: Do you believe the doctors are doing it all gratis?

Hon. E. H. GRAY: I know they are. It is because of that, that I have read part of the pamphlet in fairness to them. One cannot discuss this question without remembering the advice given by the late Dr. Saw in all matters connected with hospital work and workers' compensation Acts. He strenuously advocated the establishment of an intermediate hospital. To my mind, before we can hope successfully to amend the existing Act, the establishment of intermediate wards in country districts and in Fremantle, and the setting up of a big intermediate hospital are necessary. That would do away with a lot of alleged abuses of the benefits under the Act. We do want an intermediate hospital fully equipped with the latest appliances of modern surgery. The medical profession made a mistake at the passing of the existing Act when they successfully boycotted compensation cases going into the public hospitals. By that means they succeeded in driving the workers into ill-equipped, wholly unsuitable so-

called private hospitals. I have had experience of private hospitals, and I can say that some of them are not fit for coolies to be treated in. Often they are owned by medical men and by them used to extract as much as possible from the insurance companies. I think the profession generally recognise the mistake they made and must for all time bitterly regret their action in that regard. The establishment of an intermediate hospital, supplemented by intermediate wards in other parts of the State, would represent a tremendous advance on the existing order of things. I have in mind a big establishment in Great Britain, the Great Western Railway Works, employing some 18,000 men. There they have a medical fund covering over 50,000 people. It should be easy to follow the lines of those big industrial concerns in Great Britain. They are able to provide from their medical fund doctors, dentists, medicine, hospitals and the services of the best London specialists for any industrial worker, when required. I do not see any difficulty in a scheme of that description being carried out under an amending Bill. That would effectively destroy all opportunity for unscrupulous medical men abusing the benefits under the Act. I am strongly against an interference with the amount of £100 prescribed in the existing Act for medical expenses. A good case has been made out for leaving the amount as it is. Dr. Saw it was who was responsible for the amount being raised to £100 in this House. He certainly made out a good case for the increase, and I think it should be left at what it is. Every worker in Western Australia should be entitled to avail himself of the best medical attention which, in outlying parts of the State, would be impossible if the amount prescribed was less than £100. The argument has been used in this House that the £100 prescribed in the existing Act enables an injured man to come to Perth quickly by aeroplane and get the best possible medical treatment, whereas in ordinary circumstances if that amount were considerably reduced, as proposed in the Bill, the injured worker would be deprived of those special transport facilities and would have to rely on the local doctor for any operation that might be required. I am against the clause in the Bill providing for a waiting period, but I do strongly support the monopoly clause.

Hon. J. Nicholson: I thought you were going to say you were against that.

Hon. E. H. GRAY: It is the one feature of the measure that strongly appeals to me. What astonishes me is that business houses, merely on the ground of prejudice, have refused to avail themselves of the compensation rates offered by the State Insurance Office. In consequence they have been practically bled to death. Only prejudice has prevented them from using that office. We will always support that office. During its brief history it has proved to be a real public utility. It is not to be compared to a State fish shop or a State hotel, or any unsuccessful State enterprise. It can be described as a public utility which should be used to the benefit of the people of the State. It has proved very successful, and any amending Bill would be weakened by the non-inclusion of that clause giving a monopoly of the business to the State Insurance Office. On the ground of the drastic reductions contained in the Second Schedule and for the other reasons I have stated, I will vote against the second reading, and I hope that after the vote is taken the Minister will be able to have a long rest, instead of having to pilot the Bill through Committee.

HON. W. J. MANN (South-West) [7.53]: I join with Mr. Harris and Mr. Macfarlane in suggesting to the Government through the Minister that they withdraw the Bill. The Minister says we may save ourselves the trouble. But that advice the Government could follow without any loss of dignity, and for the welfare of the people of the State. The interests most intimately connected with the Bill are those of the worker, the employer, the insurance companies and, last but by no means least, the general taxpayer. Each of those sections recognises that some form of compensation is desirable for the person who during the pursuit of his avocation is injured and rendered more or less inefficient for his daily work. It would not be incorrect to say that each of them sees some worthy points in the Bill. Unfortunately, however, each of them has some very decided objection to it. I am in that category, and while I see in the Bill certain improvements on the parent Act, still I cannot bring myself to support the measure merely on that ground. So far as I can gather, few people

if any, desire to support this amending Bill in its entirety. Almost everybody, even the Minister himself I understand, sees in it some defects about which he is not very enthusiastic.

The Minister for Country Water Supplies: I never said so.

Hon. W. J. MANN: I understood that, in moving the second reading, the Minister said he thought there were other things that might have been in the Bill. He did not pursue that very far, but certainly that was the impression he conveyed to my mind.

Hon. Sir Edward Wittenoom: Some of his colleagues are not too well pleased with it.

Hon. W. J. MANN: The Bill contains a principle to which this House repeatedly during my comparatively short tenure has objected, namely, the principle of State trading. Even in the present session the House confirmed that objection when it passed a Bill empowering the Government to dispose of any or all of the State trading concerns. We have been told by the Government that if the Bill passes it is intended to abolish the State Insurance Office and establish in its stead something which cannot be regarded as a State trading concern. But in my view the objects of the two are identical. To me it is simply a play upon words to say there is any difference between them. Very long and sometimes rather bitter are the official reports of the debates that took place when the Labour Government sought to secure Parliamentary approval for the State Insurance Office. And, what seems extraordinary to me is that I find members who now deny that the proposed commission will be a State trading concern, were most insistent on that occasion that the State Insurance Office was a State trading concern. At that time it suited those members to denounce it as a State trading concern, and now by some peculiar method of logic they are saying that the proposed commission will in no way be a State trading concern. Some members, both of this House and of another place, were uncompromising in their attitude to the Bill that was brought down on that occasion, denouncing it in unmeasured terms as being a State trading concern which should not be foisted on the State, whereas now we have them saying that the proposed commission, which to all intents and purposes is the same thing, established for the same object, is not a

State trading concern. What the Government propose to do is to substitute the word "commission" for the word "department," and by so doing they are going to hypnotise themselves and the public into the belief that they have got rid of a State trading activity. That is something with which I cannot agree.

Hon. Sir William Lathlain: You are not an acrobat.

Hon. W. J. MANN: No.

Hon. J. Nicholson: It seems to be a little sleight of hand.

Hon. W. J. MANN: The State control of business concerns has been a failure.

Hon. C. B. Williams: The State Insurance Office has held its own.

Hon. W. J. MANN: I recall the time when a Labour Premier, a Minister in the present Cabinet, set out to give us State fish shops, State butcher shops and quite a lot of other State activities. I believe that if we now had the hundreds of thousands, nay, probably millions of pounds lost and wasted on State trading concerns, we would be able to do more than any other State of the Commonwealth for the unfortunate people who to-day are on the bread line, some of them hardly that. If we but had that money, our position would be comparatively easy.

Hon. C. B. Williams: If we had a lot of the money spent on the groups down your way, the position would be easier.

Hon. W. J. MANN: That money is coming back day by day, and all of it will come back. If ever there was a country where State trading should have proved successful, it was Western Australia. Ours was a young country presenting every opportunity, and there was a minimum of competition. If State trading concerns could not operate successfully under those conditions, there would be no chance of their doing so at the present time. Some concerns might have been more successful had not the workers held stop-work meetings so often. Since then attempts have been made from time to time to introduce other forms of State activity, and I cannot recollect one that was justified. The Minister and other members who are advocating the continuance of State insurance point to the success achieved by the State Insurance Office. Would that result have been obtained if the department had been forced to submit to the charges, taxes and expenses imposed upon a concern outside the paternal care of

the Government? I doubt whether the record of the State Insurance Office would have been better—possibly it would have been worse—than that of a company if it had had to bear the expenses imposed upon a company. Save under exceptional circumstances, the principle of State trading is wrong. Some day I may be brought to approve of some undertaking by the State; I wish it to be clearly understood that I am not so hide-bound as to believe there is no exception. Still I have not seen the exception yet. It has not been established that a State insurance commission would effect insurance cheaper than a properly controlled private company. As I proceed members will realise more clearly what I mean by a properly controlled company. It is alleged that workers' compensation insurance is unpayable excepting at the high premium rates which have been charged in the past, and that the insurance companies generally cannot handle the business without loss. Does the grocer complain that he must go out of business because he cannot make more than a fraction of a penny per lb. profit on retailing sugar? Is it suggested that the railways should be closed up because they carry superphosphate or other commodities at a losing rate? As Sir William Lathlain expressed it, such lines help to pay the overhead expenses. The trader who sells a commodity at practically no profit relies upon a general average and turn-over. Insurance under private enterprise can do the same. I hope to show that quite a number of the companies are in a position to do it, and that they could provide compensation insurance at a figure below what is demanded at present. If the Government withdrew the Bill, it would not be impossible to get another formula, which would meet the position in its entirety and be satisfactory to all parties, as well as providing considerable relief to industry. If that could be accomplished, the Government would have achieved their object, whereas under the Bill they have no earthly chance of doing so. Had not it been for the unfair tactics of the Government when State insurance was forced on Western Australia, private insurance companies would have been doing the business to-day. At that time, the insurance companies were denied information which should have been supplied to them. I believe the denial was wilful. I believe the information was denied them with the idea of preventing their en-

tering the business, thus providing some justification for the Government of the day to embark upon a State enterprise. I have no quarrel with the principle of compulsory compensation insurance. As a rule I do not like compulsion, but there are times when it is justified, and this is one of them. But if we are going to have compulsion, it should apply all round. If we compel the employer to provide for the insurance of his employees, it should be compulsory for the employees to see that the employer has made that provision, so that there shall be no misunderstanding about it. That is one feature in which existing legislation is lacking. While there is compulsion on employers to effect insurance, many through ignorance, some through apathy, might fail to carry out their obligations.

Hon. G. Fraser: How could the employee compel the employer to insure?

Hon. W. J. MANN: I said the employee should be compelled to see that he was insured. That could be done by supplying the employer with a certificate similar to the certificate furnished under the Inspection of Machinery Act. Such a certificate would have to be exhibited at the factory so that it might be seen by the employees. If there was no factory, it should be in the possession of the employer to show to the employees. I wish to carry the question of compulsion further, and on this I may be harshly criticised. I suggest that we apply compulsion to the insurance companies, and provide machinery to guard against the imposition of exorbitant premium rates. The companies should be instructed that they must be prepared to accept all lawful insurance business. Provision for miners' diseases should be removed from the Workers' Compensation Act.

Hon. J. Nicholson: That would be a very good way.

Hon. W. J. MANN: I believe it would. Any company not prepared to accept all other forms of lawful insurance should be precluded from operating in the State. I do not think it would be necessary to exercise that power. I have sufficient faith in insurance men that they would, under reasonable conditions, conduct this class of business.

Hon. Sir Edward Wittenoom: Did you say "instruct" or "compel"?

Hon. W. J. MANN: If compulsion is applied to one side, it should be applied to the other side also. The chairman of the Un-

derwriters' Association, Mr. G. L. Bowman, in evidence before the Farmers' Disabilities Commission a day or two ago, referred to the advantages that might be derived from pooling the insurance business of farmers. His statement suggested to me a method that might be investigated in respect to workers' compensation insurance. I regard the suggestion as very important, coming as it does from a gentleman who is entitled to speak on account of the position he holds in insurance circles. I believe it is a sound suggestion that might yet be adopted with advantage in workers' compensation insurance. If pooling can effectively be utilised in farmers' insurance there is no reason why it should not be applied to workers' compensation with equal effectiveness. The suggestion is a good one and I should like to hear more of it. Sir Charles Nathan briefly outlined a proposal to create a tribunal of three competent men whose duty it would be to interest themselves in the incidence of workers' compensation insurance. Something of that kind should also be further investigated. Mr. Stewart, on the other hand, suggested a single commission, and there is something to be said for that idea. Paragraph 10 of Section 66 of the Industrial Arbitration Act says—

The court shall have power in any dispute or other matter before it to direct that two experts (one nominated by the party or the majority of the parties on one side and the other by the party or the majority of the parties on the other) shall sit with the court as assessors on the hearing of any dispute or other matter to aid the members of the court with their counsel.

That is a principle which might be applied to a matter of this kind.

Hon. Sir Edward Wittenoom: Where would you get your umpire?

Hon. W. J. MANN: I presume the court would be the umpire.

Hon. E. H. Harris: They sit with the court.

Hon. W. J. MANN: These are suggestions which might well be followed by the Government.

Hon. Sir William Lathlain: Would you say the court was a success?

Hon. W. J. MANN: I do not say it is an absolute failure, but I am not very enthusiastic about it.

Hon. Sir William Lathlain: I am speaking of the personnel.

Hon. W. J. MANN: I would rather not make any comment upon that.

Hon. Sir Edward Wittenoom: Did you ever know a lawyer who was a good business man?

Hon. W. J. MANN: I have known of many who were good business men for themselves. Sufficient data should now be available and ample experience gained to enable the insurance companies and some tribunal such as has been mentioned to arrive at a premium basis, which will ensure benefits at least equal to those of the Second Schedule of the Bill and at a figure not in excess of the Government's estimate. I want to see some real benefit given to industry. If the Government will take the advice of those who are not hostile to them but are honestly endeavouring to assist them, advice that has been given all round this House and in another place, they will be able to achieve something both definite and satisfactory. The timber industry has been practically put out of business by the exorbitant rates charged for workers' compensation. I am particularly interested because I live amongst people who are principally connected with that industry.

Hon. J. Nicholson: You are in the heart of it.

Hon. W. J. MANN: Time and again people in the timber country have had the aggravating experience of seeing orders for sleepers, scantling and timber generally go elsewhere, almost wholly because of the high compensation rates that are charged.

Hon. Sir Edward Wittenoom: It is due to the Arbitration Court.

Hon. W. J. MANN: It is due to the figures in the schedule to the Act.

Hon. J. Nicholson: But we are able to import soft woods.

Hon. W. J. MANN: If we are not careful, we shall be importing hardwoods and taking all our timber business away. At the suggestion of several members who do not desire to remain too late to-night, and of the Leader of the House who wishes to complete the second reading debate to-night, I do not propose to deal with the clauses of the Bill at any length.

Hon. G. Fraser: I have not heard you attempt to justify the decreases in the Second Schedule.

Hon. W. J. MANN: I do not intend to deal with the Second Schedule. If I did, I would deal with it on the question of its

unscientific basis. If by a miracle the Bill passes the second reading, I shall have many opportunities in Committee to refer to many things that I have in mind. I have consistently opposed the continuation of State trading, and am not going to somersault on this occasion. That the Government can achieve their object of affording relief to industry by other means, I am perfectly satisfied. It can be done by the private insurance companies, and in spite of any statement to the contrary they can well afford to do it. Mr. Stewart referred to some statements made of the uniform inability of the companies to embark upon this business. My contention is they should be compelled, to use an ordinary term, to take the bitter with the sweet. They should take the poor business with the good. I will demonstrate from some balance sheets of insurance companies that they are well able to do the business. My quotations are taken from the "Australian Insurance and Banking Record" dated the 22nd June, 1931. The figures are up to date, and no one can say they are not official. Under the heading of "Reviews of balance sheets" the balance sheets of some 12 or 15 companies are dealt with in this journal. I do not propose to quote them all, but will give some to show that the insurance companies generally are making more than good profits. I want to be fair and say that the quotations I shall make do not refer wholly to workers' compensation insurance. I have not had the opportunity nor the data to enable me to segregate the figures, but I will show that in the main most of the companies have made very good returns to their shareholders.

Hon. Sir William Lathlain: Are they not making a lot of these profits out of their investments?

Hon. W. J. MANN: I am merely quoting from the balance sheets and have not had time to segregate them. If profits have been made out of investments, I presume the companies have been able to make these investments from the profits derived from their business. I will take first the North British and Mercantile Insurance Company. In this case the dividend on preference stock less tax absorbed £27,121 and the dividend per share amounted to 23s. The ordinary shares, less tax, absorbed £493,060, and the balance £2,947,909 was carried forward.

Hon. J. Nicholson: Does the balance sheet disclose the value of the shares?

Hon. W. J. MANN: In one or two cases the value of the shares is given. The dividend for that year was 23s. compared with 22s. for the previous year. In these hard times, when there has been a certain amount of world depression, this company as well as some others have actually been able to improve their position to the extent of paying 23s. as against a dividend of 22s.

Hon. Sir William Lathlain: Is that Western Australian business?

Hon. W. J. MANN: These companies are all operating in this State.

Hon. Sir William Lathlain: The profits may have been made in America.

Hon. W. J. MANN: I merely want to prove that the companies are not as hard up as some people would have us believe. In the case of the Liverpool, London and Globe Insurance Co., the total amount transferred to profit and loss account from underwriting accounts (including life) was £271,934; the sum of £100,000 was transferred further to strengthen the reserves of the miscellaneous insurance account; and £70,000 was transferred to the staff bonus fund. The amount carried forward was £574,118. The dividend for the year was 27s. per share less tax, against 26s. less tax for 1929.

Hon. G. Fraser: You are getting worse; you had better stop.

Hon. W. J. MANN: In the case of the London and Lancashire Insurance Company, the accident funds at the end of the year amounted to £1,743,500, consisting of reserve for unexpired risks £943,500, and an additional reserve £800,000. The dividend for the year was 20s. per share less tax, and absorbed £577,740, against 19s. per share for the previous year absorbing £561,818. Another instance where, in spite of the depression, the dividend has gone up by 1s. Here is another case, the Alliance Assurance Coy., Ltd. The journal states—

The funds at the end of the year include estimated liability in respect of outstanding claims, personal accident £4,197, against £3,901 previous year, and employers' liability £141,094, against £149,589. The dividend for the year is 18s. per share, less income tax against 18s. for the previous year.

In that case the rate of dividend has been maintained. The Royal Exchange Assurance Corporation's dividend for the year is at the rate of 27s., less British income tax. The Atlas Assurance Coy., Ltd., either has had bad luck, or else is satisfied to pay a

lesser dividend—8s. per share, free of income tax, the same as in the previous year. The London Assurance Coy., Ltd., paid a dividend for the year of 11s. 3d., less income tax, the same as for the former year.

Hon. Sir William Lathlain: That money might have been earned in Timbuctoo.

Hon. W. J. MANN: It might. How about this case? The Yorkshire Insurance Company's dividend for the year was at the rate of 9s. 6d. per share on fully paid £1 shares. That is not bad. On £2 10s. shares paid up to 10s. the dividend was 4s. 9d. Is there anything wrong with that? Would Sir William Lathlain be satisfied with such a return?

Hon. Sir William Lathlain: I would be if I had bought the shares at £1.

Hon. W. J. MANN: The Canton Insurance Office, Ltd., deals in Chinese dollars, the sterling equivalent of which I do not know. However, it is stated that—

The dividend paid out of the 1929 account is 50 dollars per share (inclusive of interim dividend), in addition to which an exchange bonus of 10 dollars per share is declared.

I have only one other case to quote—from the "Glasgow Herald" of the 13th May, which came to hand last week. The concern referred to is, I believe, the oldest insurance office in the world, and a very fine institution; but I wish to show hon. members that things are pretty good in that concern. The paragraph reads—

The directors of the Sun Insurance Office have declared a final dividend of 1s. 5d. per £1 share (5s. paid), making 2s. 8d. per share for the year 1930, or 53½ per cent. In 1929 the dividend on the £10 shares (subsequently split in £1 shares) was 65 per cent., and a capital bonus of 25 per cent. was also distributed. The past year's dividend ranks on the larger capital.

I am not unkind to the insurance companies, and I have not quoted those figures with any hostile intention, but I have been able to show that insurance business is lucrative, and that if proper and reasonable methods were applied by the Government, the companies would be able to embark in workers' compensation insurance and provide cover at rates very much lower than those which have been charged in the past. I anticipate from the Minister's interjections that there is no hope of the Government withdrawing the Bill. Accordingly there is nothing left for me to do but oppose the second reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [8.35]: For months past this question of workers' compensation has been discussed and investigated, and although up to the present nothing has been placed on the statute-book, yet something has been achieved. In the initial review stages, complete accord prevailed that the existing law was irksome and burdensome, and that relief was urgently necessary if industry was to survive. In this Chamber, particularly, the agitation for amending legislation was intense, and every opportunity was seized by hon. members to criticise severely the injustices of the law, and none were more insistent in the demand for relief.

Now, strange to say, some of the most bitter opponents to the necessary amendments are to be found in this House; and some of the reasons put forward to mask the changes of front are without substance, and leave one with the inquiry what is really behind all this opposition. Perhaps, later on more intelligible explanations will be given; but until they are forthcoming we must content ourselves with the consideration of more apparent aspects. Dealing with them, it is worthy of record that in the arraignment of all parties the doctor and the worker have readily admitted that they are not guiltless; but the principals in the pother—the insurance companies—have not repented one iota, and still unblushingly persist that they should be permitted to go on as in the past, even though it is obvious that the continuance of their crippling exactions must eventually stifle their operations and, by reason of exhausted exploitation, place them out of business.

That is the position to-day, and it now appears from developments in this House that certain hon. members are even prepared to reject the Bill and, in that event, to defeat finally the efforts of the Government to rectify the plain injustices of the existing law. Now that serious stage has been reached, there is nothing the Government can do but to rest on their labours and leave the fate of the Bill to the decision of hon. members. They can do so with the sure knowledge that objecting members are fully cognisant of its provisions, and are prepared to accept unreservedly full responsibility, should it be rejected, the Govern-

ment being entirely blameless. In those circumstances, there can be no question that hon. members desire that industry should continue to carry the unchallenged overburden of £150,000 per annum in premiums; and it will be clear to all that members wish that the insurance companies be gratuitously permitted to have that amount to meet drone administrative expenditure, rather than that it should be available in industry to meet the sore needs of industrialists and producers in carrying on their activities, if the latter are at all possible.

In the scamper for arguments the insurance companies and some members have found it difficult to reason convincingly on the actual contents of the Bill. Being unable to gather converts to their opposition, and wishing to alarm other members, they have produced that terrifying hogey—State trading—in the hope that the proposed measure will be defeated in the hullabaloo. It appeared to me at the outset that one or two hon. members were really scared by the suggestion of State trading; but seemingly they are now reassured, and yet those hon. members who raised the scare are still pretending, with evident make-believe quakings, that State trading is everywhere in the Bill. But the proposed commission cannot in any circumstances be considered a State trading concern, because no part of any profits which it might make would go to swell the revenue of the Treasury. What the Government propose is to enable employers to establish a workers' compensation fund of their own, and all that the Government are doing is to provide the necessary machinery to enable that to be done. No revenue from the commission will go to the Treasury and, as previously stated, the commission is no more than a fund controlled by employers and workers for the payment of compensation. Any surplus money from the operations of the fund will not benefit the State Treasury; neither will any loss be debited against it. A surplus will be credited to the employers responsible for it, and a loss will be charged against them.

But, peculiarly, even the hon. members who have so whole-heartedly condemned State trading are willing that the commission proposed in the Bill should be allowed to function in competition with the insurance companies. In one breath they claim that the proposed commission is an out and out attempt at State trading, and in the

next they considerably offer no objection to its doing business in competition with the insurance companies. A most magnanimous overture, but on delving into it a very good reason for it is disclosed. That reason is impudently revealed in a letter from the Melbourne headquarters of the Underwriters' Combine to the Premier, dated 2nd June last, as follows:—

Council of Fire and Accident Underwriters.
60 Market Street,
Melbourne, 2nd June, 1931.

Sir James Mitchell,
Menzies' Hotel,
William Street, Melbourne.

Dear Sir James,
Workers' Compensation Act, Western
Australia.

At the interview which you were good enough to grant yesterday morning to representatives of this council we placed before you the reasons why, in our opinion, the general interests will best be served by maintaining the present system of providing workers' compensation through the medium of insurance companies.

At the same time we fully appreciate the desire of your Government to reduce substantially the cost to industry of providing that compensation.

The members of the deputation have given careful consideration to this question and agree that the rates at present charged for indemnity under the existing Act should be reduced by the equivalent of an all-round 30 per cent. subject to:—

1. Reduction of benefits to correspond with those set out in the new Bill.
2. Provision being made for medical attention by nominated doctors.
3. The State Department continues to transact mining and other business as at present.

The reduction proposed is considerably more than experience shows to be justified by the reduced benefits that are contemplated, and leaves the narrowest possible margin for working expenses.

In the event of your Government seeing their way to meet us on these lines, our association in Perth will be in a position to take the necessary action.

Yours faithfully,

(Sgd.) COLIN R. COLQUHOUN,
Chairman, Melbourne Section of Council.

A most extraordinary offer, and hon. members should note that it comes not from the small fry representatives of the 52 companies operating here but from the headquarters of the combine in Melbourne. In no circumstances, and under no conditions, will the companies undertake the whole of the business in Western Australia. No;

the companies want only the profitable business, and even if this Bill is defeated they would be very upset if the State Insurance Office were not continued to handle the unprofitable insurance. The companies have not resorted to the use of eye-wash to deceive hon. members; they want the State office to take the unprofitable business and so long as their purposes are met they care nought for the desire of the Government to close down the trading of the State office, as we propose to do if the Bill becomes law. One or two speakers have maintained that there are at least two companies outside the local combine of underwriters, and the impression has been conveyed that those particular companies are willing to cater for all classes of business. In that connection, Mr. Ewing interjected that such was not the case. I am sure, if hon. members inquire, they will find that the companies referred to will handle only selected business, or perhaps all classes of risks at the usual extortionate rates. There is a combine here—of that there is not a shadow of doubt—and, unfortunately, it is prepared to exploit the position to the full to maintain elaborate and unnecessary establishments, if hon. members fail to safeguard industry by refusing to pass the Bill.

Up to the present, Parliament has been unable to exercise any control over workers' compensation insurance, nor has it had any opportunity to cope with the subterfuges indulged in by the companies in escaping liability. The Bill will remove those disabilities in that the commission will be responsible to Parliament, and should the methods adopted be contrary to the wishes of hon. members, amending legislation to remedy the grievances will be possible. That opportunity will be thrown away if the Bill be not enacted.

Ignoring the tosh of some of the speeches and replying to the queries raised by hon. members, Mr. Drew stated that the Second Schedule, as appearing in the Western Australian and Queensland Acts and, with few exceptions, in the New South Wales Act, was recommended by a conference of medical men convened by the Bruce-Page Government. A search has been made for supporting evidence of that assertion, but the departmental officers have been unable to find any record of such a conference, or of any report of medical men in Australia recommending a uniform Second Schedule. In 1924, however, a Federal Conference on

"Industrial Hygiene" did recommend a uniform schedule of industrial diseases, and it was embodied in the Third Schedule of Mr. McCallum's Act, which was passed in 1924. It is obvious that some confusion exists regarding the Second Schedule being recommended by the Federal Conference, when it is remembered that the Queensland schedule was enacted in 1916, many years before the date of the alleged conference, and that the amounts provided in the Queensland schedule are, in practically all instances, considerably lower than those in the Western Australian Act. The Queensland schedule also differentiates between the right and left limbs. The following items will show the substantial differences between the Queensland and Western Australian Acts—

	Q'land Act.	W.A. Act.
Loss of arm—left	£562	£675
right	£600	
Loss of leg	£562	£600
Loss of lower part of leg	£450	£562
Loss of foot	£450	£525
Loss of one eye with serious diminution of sight of other eye	£562	£675
Loss of sight of one eye	£300	£375
Total loss of hearing	£375	£600
Deafness of one ear	£75	£200

Those illustrating differences will demonstrate that the Queensland and Western Australian Acts have not been framed on a uniform basis of recommendation. Furthermore, a study of the average percentages operating in European countries, Canada, the United States of America, other Australian States, and in New Zealand will prove that the percentages provided in the Bill are reasonable from a comparative point of view.

Mr. Drew questioned whether the 10s. 6d. per day prescribed as the maximum charge for hospital treatment, would be sufficient in the metropolitan area. That provision has been in the Workers' Compensation Act since the amending Act of 1927 was passed, and no difficulty has yet been experienced in the metropolitan area. In my further inquiries since the hon. member's remarks, I have been advised by the president of the British Medical Association that most of the private hospitals in the metropolitan district will take a certain number of workers' compensation cases at 10s. 6d. a day, and that all the private hospitals have, in addition to the matron, at least two trained

nurses on the staff. Those arrangements by the president of the B.M.A. should ensure injured workers receiving proper hospital attention. Mr. Drew also stated that the £52 10s. provided in the Bill for medical and hospital expenses, was not higher than in all of the other States of Australia. Despite the fact that the accuracy of the hon. member is seldom questioned, I must repeat that the only other Workers' Compensation Act in Australia that provides for medical and hospital treatment, is that of New South Wales, and the maximum amount prescribed in that Act is £52 2s., being £25 for hospital expenses, £25 for doctors, and £2 2s. for an ambulance, if required. In Committee, I propose moving to delete the provision whereby the Minister's approval is required before the £52 10s. can be exceeded. The amendment, if agreed to, will leave the matter entirely at the discretion of the commission.

Mr. Nicholson asked why a simple amending Bill had not been introduced to rectify what appeared to be anomalies in the present Act. The hon. member's question merely involves, of course, a matter of opinion. The Government claim that the anomalies in the Act will be rectified if the Bill be agreed to, but, in addition, to overcome the legislative anomalies, the Government are faced with the necessity of reducing the cost of workers' compensation insurance to industry.

Hon. G. W. Miles: You can do that without creating a monopoly.

The MINISTER FOR COUNTRY WATER SUPPLIES: So far as possible, the elements in the Act which have been responsible for making the cost excessive have been taken into consideration in the Bill, but other elements outside the Act are also responsible for the increased cost, the principal being the heavy charges made by the insurance companies. The Government maintain that if one insuring authority is established, the cost can be considerably reduced, and that is the reason for the proposed establishment of the commission. Mr. Nicholson is afraid that if the principle of the commission is once established, it will only be one step further to extend State insurance to fire, marine and other classes of insurance. Seemingly, the fear expressed by the hon. member is the real difficulty and the cause of the opposition to the Bill. It is quite unnecessary to controvert the wild-

ness of that thought. Mr. Nicholson claimed that because Parliament deemed it necessary to exact a deposit from each insurance company, there was an implied contract between Parliament and the insurance companies, by which the companies were free to undertake all classes of insurance, and if the right of the companies to undertake workers' compensation insurance were taken away, a breach of contract would be created.

Hon. G. W. Miles: So it would.

The MINISTER FOR COUNTRY WATER SUPPLIES: I am astonished at the hon. member.

Hon. G. W. Miles: You may be, but it is a fact.

The MINISTER FOR COUNTRY WATER SUPPLIES: That statement is very unconvincing, because everyone knows that the deposit is not accepted as a payment for the issue of a license, but is merely held by the Government as a guarantee for the security of the companies and, of course, it is well known why the Parliaments of the Empire were compelled to take that precaution.

Hon. J. Nicholson: But there was that implication.

The MINISTER FOR COUNTRY WATER SUPPLIES: Nothing of the sort.

Hon. G. W. Miles: Read the Act.

The DEPUTY PRESIDENT: Order! Hon. members must permit the Minister to state his case in his own way.

The MINISTER FOR COUNTRY WATER SUPPLIES: In any case, the companies have not abided by their side of the contract, if there is one, because they have refused to undertake certain classes of insurance, for example, miners' phthisis.

Hon. J. Nicholson: For what reason?

The MINISTER FOR COUNTRY WATER SUPPLIES: Mr. Nicholson suggested that if the insurance companies were willing to carry on the business at a loss, that was no concern of the Government; but the companies are not willing to carry on the business at a loss.

Hon. J. Nicholson: If you had stayed out, they would have been.

The MINISTER FOR COUNTRY WATER SUPPLIES: That is proved by the large increases in the premium rates that have been made from time to time, and it is because of their action in increasing the rates, that the Government have been compelled to bring forward this amending Bill

to provide for the establishment of a commission. The increased charges made by the companies are, of course, borne by industry. Mr. Nicholson considered that if the Government proceeded with the establishment of the commission, they might have difficulty in borrowing money from the insurance companies. It has to be remembered that the issue of Government loans is not all one-sided. There is an advantage to the insurance companies in having a ready and secure market for the investment of their surplus funds, and Government securities are looked upon as one of the best investments. Mr. Nicholson suggested that the personnel of the commission should be altered to provide for the appointment of a surgeon, a physician and an insurance representative! He thinks, apparently, that such a commission would not be partisan, but surely all three mentioned would be interested parties. In my opinion such appointments would defeat one of the main ideas of the Bill, which is to give the men who pay the piper—the employers—representation in the fixing of the rates of the premiums. The hon. member stated that no provision was made in the Bill for the return of over-estimated assessments paid. If he will look at Clause 21, he will see that it provides that the contributions payable by each employer shall be assessed on the returns furnished, and on any other available information. Obviously, the commission would take into account, in assessing an employer for the coming year, any over-payment which he had made in the previous year.

Hon. J. Nicholson: That is not provided for.

The MINISTER FOR COUNTRY WATER SUPPLIES: Mr. Nicholson thinks that the provision in the Bill whereby compensation will be paid to an injured worker even though an employer has not paid the assessment, is a weakness, because, he said, there could be no indemnity where a premium had not been paid. The hon. member is apparently unable to disassociate in his mind the idea of an insurance policy from the real purpose of the Bill, which is intended to make provision for the payment of compensation to injured workers, and it is proposed to assess employers to provide money for that purpose. The present Act makes employers liable to pay compensation, and if the employer has not the wherewithal and has not taken out an insurance policy,

the worker suffers. It is with the object of overcoming that injustice to the worker that the provision in the Bill has been provided.

Mr. Nicholson believes that there will be quite a number of small employers who will fail to make the necessary returns to enable assessments to be made. I cannot see that there will be any more trouble in that regard than there is in connection with the submission of income tax returns. When the Bill is in Committee, I shall move for the insertion of a provision enabling the commission to recover from a defaulting employer, any compensation paid on his behalf. Mr. Nicholson admitted that it was the duty of the Government to see that everyone who engaged men was insured against the liability imposed by the Workers' Compensation Act. He also admitted that at present the law was not being carried out and that when it was, the cost of insurance would be accordingly increased. The hon. gentleman's argument really resolves itself into this: That there must be many workers who do not receive adequate compensation because the employer has neglected to insure, and that if every employer is compelled to insure, more compensation will have to be paid, and therefore increased premiums paid. If by making the commission liable the cost of compensation is increased, there must then be very many employers who are not insured and many workers who do not receive compensation. If that is so, surely then the suggested commission is a good one, because the present system does not provide the facilities which are intended. Would the hon. member suggest that where an employer is not insured the worker should suffer? If a worker is injured, and receives no compensation from his employer, it is quite possible that he will then become a charge on the State, and so in the long run the taxpayer has to bear the cost.

Mr. Nicholson believes that by the Government giving a guarantee, the cost of providing insurance will be thrown upon a few employers in the State. The hon. member must have a poor opinion of the honesty of the majority of the employers if he thinks that most of them will refuse to pay their assessments. The main object of the Bill is to reduce the costs, and if it is achieved surely such a reduction will tend to encourage the establishment of industries. One of the avowed reasons why industry is lan-

guishing in this State is that the cost of workers' compensation is far too heavy. In support of his views Mr. Nicholson quoted figures from the "Pocket Year Book" of 1931, and he stated that out of 80,000 employees in the State in 1929 nearly 40,000 of them were engaged in farming, dairying, fruit-growing and pastoral industries. He is apparently unaware of the fact that the figures quoted relate to the number of persons engaged in the industries referred to, and that they do not purport to show the number of employees. Most of the people engaged in the industries quoted by the hon. member are, of course, engaged on their own account. The hon. gentleman also quoted extracts from a pamphlet issued by the Underwriters' Association purporting to show some of the advantages of competition. He evidently overlooked the fact that in Queensland, where the State Insurance Office is liable to pay compensation even though the employer has not paid the premium, the cost of insurance is much lower than it is in this State, and in addition, the overhead expenses of the State Insurance Office in Queensland are approximately 16 per cent. of the premium income as against 37 per cent. of the premium income taken out by the insurance companies in this State. Then again, the hon. gentleman referred to New South Wales, but he failed to comment on the fact that the establishment of a State office in that State had the effect of considerably reducing the rates of premiums fixed by the private insurance companies. The hon. member suggested that competition was desirable, but he omitted to state that with regard to most of the insurance companies operating in Western Australia no competition in price exists, as it is well known that all the companies adhere to a common tariff.

Hon. G. W. Miles: That is not correct.

The MINISTER FOR COUNTRY WATER SUPPLIES: The hon. gentleman raised the question as to why exemption from the Bill should apply only to concerns established before the commencement of the Act. In reply to that question the proposal in the Bill was inserted in order to honour the contract made with the companies and the firm by the previous Government, and it is not proposed to extend the concession. The names of the companies and of the firm are given in the proposed Fourth Schedule

which appears on the Notice Paper. Mr. Nicholson anticipates considerable trouble in regard to the inclusion of certain contractors as "workers." Apparently he has forgotten that under the present Act many small contractors who are really workers are debarred from the benefits of the Act. It is to overcome that trouble that the amendment is put forward.

Sir Edward Wittenoom, unlike hon. members, is prepared to vote for the second reading of the Bill, and he is not afraid to discuss its merits in Committee. That is the reasonable attitude to adopt, and it is welcomed by the Government. The amendments suggested by Sir Edward are in some cases worthy of consideration.

Mr. Hamersley is apprehensive that once the commission is established it will not be able to supervise its operations, and that there may be many claims admitted which would otherwise be declined. That fear is groundless, because the whole machinery of the Government service would be available for the commission, and surely the members of the commission, being interested parties, will make it their business to see that the claims are kept down to a minimum. The employers' representative is not likely to be a party to lax administration of a fund when any laxity is going to be reflected in increased premiums. The hon. member asserted that under the present Act doctors and hospitals have connived with the workers to increase the cost of compensation. A survey of the operations of the Act suggests that in the main the doctors have not made excessive charges, and in that connection the British Medical Association has given valuable honorary assistance in checking the abuses of the few doctors who have attempted to overcharge. The British Medical Association is in sympathy with the Bill, and has expressed its willingness to co-operate with the commission in endeavouring to reduce costs and keep the medical charges within reason. Mr. Hamersley apparently is of the opinion that much of the power of the local courts existing in the present Act will be taken away if the Bill becomes law. That is a mistake, as the local courts will still operate and have the same power as they have in the existing Act. The only amendment in that regard contemplated in the Bill is that before a local court can hear a workers' compensation case in which a dispute exists as to medical evidence, the

injured worker must be first examined by a medical board, and the board's decision must be accepted by the court. That decision, however, will affect only the medical side of the case, and will not affect the legal. That is a very wise provision, because at present if a magistrate has to hear a case in which a dispute exists between doctors, he invariably has the worker examined by an independent doctor.

The hon. member fears that the good risks may be loaded to help to pay the bad ones. But that will not be so, because the members of the commission, especially the employers' representative, will not agree to overcharging one section of industry to make good any losses incurred in another section. The illustration used by the hon. member in regard to railway freights has no parallel in any of the contemplated functions of the commission. The Railway Department is concerned with getting sufficient revenue to cover the whole of its operations, but the commission will be concerned only with collecting from each branch of industry sufficient to pay the claims which arise in that branch. The commission will have no authority or desire to show large annual surpluses. Any surplus existing at the end of one year will be carried forward to the next year to the credit of those branches of industry responsible for that surplus.

Despite Sir William Lathlain's doubt as to the administrative costs of the State office, the figures supplied are correct, and the small administrative expenses merely serve to illustrate the excessive overhead costs of the private insurance companies. If Sir William will investigate, he will find that wherever a State fund operates, the administrative costs are much below those of insurance companies. Sir William stated that at the present time the Perth City Council is able to effect cheaper insurance with a company which it not attached to the Underwriters' Association, and he fears that if the Bill becomes law the council will lose that right. On the contrary, however, if the fund is established, the probability is that the City Council will obtain its insurance at a cheaper rate than it is paying at present.

Hon. William Lathlain: That is questionable.

The MINISTER FOR COUNTRY WATER SUPPLIES: Sir William was rather inconsistent when he suggested that

once the fund is established it would establish branch offices all over the country, and would thus spread itself like an octopus. Surely he is not unaware of the fact that the present insurance companies have branches and agencies all over the State. If they find it necessary to have such branch offices, it is reasonable to expect that the commission would also find it desirable to have one or two country representatives. In any case, it would probably be found a much cheaper and a more efficient method of management for the commission to have one or two branch offices, rather than to attempt to supervise the whole of the operations of the fund from the head office, and of course in that connection the convenience of country employers must be considered. Sir William stated that the Bill is not wide enough in its application in respect of divisions of industry into classes for the purpose of assessment of premiums. The Bill does not stipulate the classes, but leaves that power to the commission, and the members of the commission will, out of their experience, make all the necessary divisions. If Sir William, or anyone interested in his occupation, feels that the division is not wide enough, it will be open to him to approach the commission and ask for further classes to be made.

Hon. Sir Edward Wittenoom: Will the Minister speak up.

The MINISTER FOR COUNTRY WATER SUPPLIES: Sir William contended that he desired to do all he could for the worker, but he was afraid that Western Australia could not afford to pay the present high insurance premiums. The Government also have the same fear, and it is precisely on account of the high costs involved that the Bill has been introduced. If the companies continue to carry on the workers' compensation insurance, industry in this State will have to continue to pay the high insurance premiums. The hon. gentleman is opposed to a monopoly of any kind, Government or otherwise, but he is apparently not averse to the Underwriters' Association having a universal rate for workers' compensation insurance. He well knows that though there may be numerous companies underwriting workers' compensation insurance, there is no competition between them as to price.

Hon. G. W. Miles: That is not correct.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Mr. Kitson contended that it was not right that a man injured in industry should have to make up the difference between what is considered a fair charge on industry and the present burden. That is readily admitted, but an injured worker should not receive an excessive amount of compensation. The compensation should be no more than the capitalised value of the loss of his earning power. The present Second Schedule to the Act is too generous, and really offers an inducement to unscrupulous workers to injure themselves, and thus get the benefits of the Act. That is most undesirable and it is the sole reason for the proposed amendment to the Second Schedule. If the hon. member so desires, I can arrange for him to be supplied with particulars of cases where workers have apparently wilfully injured themselves for the purpose of obtaining compensation. Mr. Seddon referred to the establishment of the workers' compensation fund as a State monopoly. Replying to that statement, it is generally admitted that the cheapest form of insurance is for the employer to establish his own fund, and that principle has been adopted in the formation of a State-wide fund. As the proposed fund will be wide in scope, it is necessary that it should have some legislative authority, and the Bill does no more than give the necessary authority to such a fund.

The hon. member fears that once the fund is established, the Government will utilise the collections of the fund for ordinary revenue purposes. That fear is quite unfounded because, if necessary, it can be arranged for the moneys of the fund to be paid into a separate bank account and not into the Treasurer's general account at the Commonwealth Bank, and it could be further provided that money may be withdrawn from the fund only on the authority of the commission. The hon. member thinks that the amending legislation does not go far enough, and that it should be extended to include the supervision of shops and factories in regard to the welfare of the workers. In some parts of the world, for example, America, all the functions suggested by Mr. Seddon are carried out by one fund. Though the idea is a desirable one, it is a bit ambitious for this State to undertake, especially at the present time of financial embarrassment, but there is no reason why the

commission should not allow a rebate to an employer who installs safety devices or other appliances for safe-guarding the health of his employees.

The hon. member is afraid that the State fund, having control of all the workers' compensation insurance in the State, may find itself embarrassed in the event of a disaster, resulting in a heavy call on the funds of the commission, and he stated that that illustrated the strength of the insurance companies, inasmuch as their investments were spread all over the world. That aspect has not been overlooked. Private insurance companies overcome the risk by re-insurance and there is no reason by the same avenue should not be open to the commission. The point raised by the hon. member, namely, that the penalty clauses are not sufficiently severe in the case of a defaulting employer, is probably a good one, and it might be desirable to make the penalty more severe. In any case, the commission should have the right of collecting from a defaulting employer the compensation paid on his behalf, and when the Bill is in Committee I shall seek that authority.

The hon. member, in referring to farmers, said that it would be practically impossible to collect the premiums, and he illustrated his point by saying that at present a farmer is probably unable to pay his rent or interest. Replying to that contention, a farmer who is in such a difficult plight would find it impossible to pay wages, and would therefore not be in a position to employ labour. On the other hand, if a farmer was able to pay wages, he should also be able to pay the necessary premium to the commission.

The hon. member stated that under the present Act an employer or his insurance company is liable under the Third Schedule during the 12 months prior to the period of insurance, and during the 12 months subsequent to the expiration of the insurance. That statement is not quite correct. The Act provides that a worker who becomes incapacitated as a result of one of the industrial diseases mentioned in the Third Schedule can claim compensation from his present employer, who may be indemnified by any of the employers who engaged the worker during the 12 months preceding the date of the commencement of the incapacity. If an employer is insured, and a claim is received from a man, who, though not in his present employ, was in his employ dur-

ing the preceding 12 months, and at that time the employer was not insured, the present insurer (the insurance company) would not be liable to pay compensation; that liability would attach to the employer himself.

Referring to the operations of the State Accident Insurance Office, the hon. member expressed doubt as to whether the State Office had made provision for unexpired risks and unsettled claims. In that connection, I can assure him that the State Office has provided for the unexpired premiums and unsettled claims, according to the usual insurance practice. Mr. Seddon said that the best results in the field of commercial activity were obtained by free competition but, in expressing that opinion, he overlooked the fact that in regard to the majority of the insurance companies, no competition exists as to price, as practically all the companies adhere to a common tariff. The illustration given by the hon. member in regard to the amount of medical expenses incurred in the three cases, is not a typical one. According to the underwriters' own figures, the percentage of losses taken up by medical expenses is approximately 29 per cent. On the other hand, the average percentage of the premium income taken up by the insurance companies in overhead expenses is approximately 37 per cent.

If the fund is established, the hon. member feels that its operations might result in a form of price-fixing. If that is so, I can see no particular danger in the form of price-fixing proposed since the fund will review its prices from time to time according to its experience. According to the Bill, the fund must not collect from industry more than is necessary to pay for the cost of the compensation, plus the administration expenses of the fund. There is no reason why the experience of the fund should not be made public, or made available to the employers who are responsible for the provision of the fund. In any case, at the present time, the majority of the insurance companies indulge in price fixing, and it is doubted whether they make their experience available to the public.

The question of the payment of compensation to men suffering from mining diseases is a big one, and is at present receiving the consideration of the Government. There is no reason, however, why the amendments to the Workers' Compensation Act should be delayed while that question is being settled.

The Government are anxious to give immediate relief to industry by reducing the premiums for workers' compensation insurance, and the proposed relief should not be delayed pending the adjustment of the payment of compensation to suffering miners.

Sir Charles Nathan stated that he was in agreement with the principle of the Bill, namely, for the establishment of a medical board and a commission to supervise the operations of the proposed Act, but he did not agree with the suggestion that the commission should collect the premiums. However, he recognises the difficulty which will arise if the companies are allowed to collect the premiums on the present system of enabling employers to indemnify themselves against the liability imposed by the Act, by making an insurance contract with an insurance company, because he realises that in regard to employers who fail to effect insurance, no provision is made for payment of compensation to injured workers of such defaulting employers. In that regard he suggested two schemes, one, that the commission should be empowered to impose a levy on the premiums collected by the insurance companies to form a fund out of which compensation may be paid to injured workers of defaulting employers, or, that the insurance companies should collect the premiums and keep the necessary records, and the payment of compensation be made by the commission. Apparently Sir Charles is in agreement with the Government, but disagrees with the method suggested.

The reason why the Government have suggested the formation of a commission with full powers to collect premiums and pay compensation, is that the burden of insurance companies' costs of collecting premiums is too heavy for industry to bear. Experience of similar funds in other parts of the world indicates that a considerable saving to the employers can be effected by the means proposed in the Bill. If Sir Charles's ideas were put into effect, one of the chief objects of the Bill would be defeated, namely, the relief of industry by way of reduction of premiums, on account of the commission's lower administrative expense.

Sir Charles's objections to the establishment of a State office are not well founded because the commission cannot under any circumstances be deemed to be a Government department. The operations of the com-

mission will be controlled by the members of the commission, the majority of whom will be appointed by those engaged in the industries covered by the Bill. There is no reason why suitable safeguards should not be made in the Bill to provide against any part of the funds of the commission being utilised for Government purposes. The sole object of the commission is to enable industry to form a fund of its own, in exactly the same way as the present Act provides for any single employer forming a fund, thus relieving that employer of the necessity for obtaining an insurance policy. The Bill merely extends that principle to make it State-wide. In any case it is very much doubted if the insurance companies would agree to collect the premiums and keep the necessary records, and hand over the control of the payment of compensation to a commission. That proposal, if approved, would defeat the bargaining and the stubbornness of the insurance companies in the payment of compensation.

Mr. Miles was concerned about the possibility of the administration costs of the commission requiring greater percentage of premium income than was the case of the present insurance office. He apparently overlooked the fact, pointed out by me when moving the second reading, that the commission would have considerable expense. There would be the cost of the medical board, rent and printing, which items are not in the 5 per cent. Mr. Miles quoted the case of a worker who received compensation following an injury received when playing cricket during the luncheon hour. The hon. member's information is not correct. The man claimed compensation, but it was refused. The case was contested, and although the lower court found in his favour, the claim was refused on appeal to the Supreme Court. Mr. Miles read a letter from Lloyds, who claimed to accept all classes of business at rates lower than those charged by the State office. That is not correct. Lloyds accept only certain risks. When an undesirable risk has been proposed, Lloyds have on certain occasions refused it.

Hon. G. W. Miles: Naturally.

The MINISTER FOR COUNTRY WATER SUPPLIES: And have referred the proponent to the State Insurance Office.

Hon. G. W. Miles: And you have insured with Lloyds.

The MINISTER FOR COUNTRY WATER SUPPLIES: That may be so. It was said that Lloyds would be willing to accept miners' phthisis insurance, but had never been asked to quote for the business. That is incorrect. The Government Actuary in 1926 supplied information and the business was declined.

Hon. G. W. Miles: What information was given? You would not give information to any insurance company.

The MINISTER FOR COUNTRY WATER SUPPLIES: The whole of the information was printed in the "Worker."

Hon. G. W. Miles: The Minister said he did not have any information to give the companies.

The MINISTER FOR COUNTRY WATER SUPPLIES: Lloyd's further claimed that they did not pick the eyes out of the business, but accepted all risks. As previously stated, that is not correct. Lloyds accept the good risks and reject the bad. But what do the insurance companies want? They want the State office to continue so that when there is a risk they are disinclined to accept, they can send it on to the State office.

Hon. G. W. Miles: They do not want the State office to continue.

The MINISTER FOR COUNTRY WATER SUPPLIES: Lloyds have refused risks, and sent them to the State office. Mr. Harris said I had changed my attitude towards State trading concerns. My attitude on this question has always been the same ever since I entered public life. This is not a State trading concern.

Hon. G. W. Miles: It is a State monopoly.

The MINISTER FOR COUNTRY WATER SUPPLIES: It is a fund that will be controlled by a commission, and the State will get no benefit from it. If an employer is not covered by his policy he has to pay into the fund.

Hon. Sir Edward Wittenoom: Why don't you stop. You will not alter a single vote.

The MINISTER FOR COUNTRY WATER SUPPLIES: In reply to Mr. Harris in regard to mine workers, I would point out that no medical fees are paid in the case cited by him.

Hon. E. H. Harris: It is so.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I am assured by the head of the department that it is not so.

Hon. E. H. Harris: I know it is.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Hon. members are aware that the salvation of Australia lies mainly in reducing producing costs to a payable export basis, and ever since the Government assumed office their whole energies have been exerted to that end. This Bill will assist greatly in reducing the costs of production, and therefore hon. members who oppose its passage will prevent, as far as it is concerned, the Government from removing one of the heavy costs on producers and manufacturers.

Hon. G. W. Miles: It will force the Government to bring down a single amendment to the Act.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Members must realise that in the passage of time accepted institutions are often found wanting in meeting the needs of industry, and frequently it has happened that old expensive methods have had to be discarded in favour of less expensive ways in reaching our means of subsistence. How often have the business men in this Chamber found it necessary to reduce working expenses to keep their businesses solvent and abreast of those of their rivals? I am sure they have found on too many occasions that costs were devouring them, and have had to find the way out to a profit, otherwise they would not have survived. In somewhat similar circumstances this question of heavy costs in workers' compensation must be faced, and it is inevitable that the present high costs must go the road of all unnecessary expenditure.

A saving is a profit, and industry should be given the opportunity to make it. The Government have furnished members with full and complete particulars, and have answered all criticism in the consideration of the Bill. If members still prefer that the companies should continue as at present, then industry, much against the wishes of the Government, will have to pay to the extent of about £150,000 per annum. If members so decide, then they must accept full responsibility for the decision and so relieve the Government in the matter. However,

I trust members will pass the Bill and, if they do, the results to those concerned will be extremely beneficial, and will set at rest the clamour for the relief the Bill proposes to give.

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

Ayes	6
Noes	15

Majority against .. 9

AYES.

Hon. C. F. Baxter
Hon. J. Ewing
Hon. V. Hamersley

Hon. E. Rose
Hon. C. H. Wittenoom
Hon. H. Stewart
(Teller.)

NOES.

Hon. F. W. Allsop
Hon. J. M. Drew
Hon. J. T. Franklin
Hon. G. Fraser
Hon. E. H. Gray
Hon. Sir W. Lathlain
Hon. J. M. Macfarlane
Hon. W. J. Mann

Hon. G. W. Miles
Hon. Sir C. Nathan
Hon. J. Nicholson
Hon. I. Seddon
Hon. Sir E. Wittenoom
Hon. H. J. Yelland
Hon. E. H. Harris
(Teller.)

PAIRS.

AYES.
Hon. W. T. Glasheen
Hon. E. H. Hall
Hon. G. A. Kempton

NOES.
Hon. A. Lovekin
Hon. C. B. Williams
Hon. W. H. Kitson

Question thus negatived: the Bill defeated.

ADJOURNMENT—SPECIAL.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [9.36]: I move—

That the House at its rising adjourn until Wednesday, 15th July.

Question put and passed.

House adjourned at 9.37 p.m.