

Mr. SLEEMAN: I am bowing to your ruling, Sir.

Mr. SPEAKER: Then the hon. member must refrain from finding fault with the ruling of the Chair. I have ruled that he is not in order.

Mr. SLEEMAN: I am trying to keep to the point, and hope I shall not offend. Six months hence is time enough in which to have this Bill printed, and 12 months hence would be time enough in which to have it read a second time. I hope the House will not agree to the waste of time involved in waiting for this Bill to be printed, while important measures remain to be dealt with.

Amendment put and negatived.

Question put and passed.

House adjourned at 11.42 p.m.

Legislative Assembly.

Thursday, 14th May, 1931.

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

QUESTIONS (2)—POTATOES.

Second-hand Bags.

Mr. WANSBROUGH asked the Minister for Agriculture: 1, Is he aware that second-hand potato bags, ex Victoria, are being supplied by merchants to potato-growers in the Southern and South-Western portions of this State for refilling with this season's crop? 2, If so, will early consideration be given with a view to preventing such practice, thus eliminating the introduction of eel-worm and other pests that are prevalent in Victoria, and preventing the areas mentioned from becoming affected?

The MINISTER FOR AGRICULTURE replied: 1, Yes. 2, Yes.

Imports from Victoria.

Mr. WANSBROUGH asked the Minister for Agriculture: 1, In view of the public appeal and propaganda exhibited throughout the State during the past two years ("Buy local products and find someone a job"), is it a fact that during the months of June, July, and August last the merchants of the metropolitan area imported into this State ex Victoria 1,200 tons of potatoes? 2, Is it also a fact that in the Southern and South-Western portions of this State 2,000 tons of prime potatoes were being fed to stock, owing to there being no local market for them during that period? 3, If so, will consideration be given to stabilisation of such products, thus preventing a repetition and protecting the industry?

The MINISTER FOR AGRICULTURE replied: 1, Yes, but since the 1st January, 1931, only five tons of ware and three tons of seed have been imported from Victoria. A further eight tons of special Bismark seed was obtained from Tasmania during this period. 2, A large quantity was fed to stock. This, I understand, was due to our growers demanding a higher price than merchants could land them in this State from Victoria. 3, As our grading regulations are now in force merchants are not importing, and growers are arranging to market their potatoes so as to prevent the necessity for importation.

QUESTIONS (2)—UNEMPLOYMENT RELIEF.

Commonwealth Assistance.

Mr. HEGNEY asked the Treasurer: What assistance have the Commonwealth Government given to this State during the past twelve months by way of grants and otherwise to help to relieve the distress caused by unemployment?

The TREASURER replied: £65,000.

Expenditure of Grant.

Mr. HEGNEY asked the Minister for Railways: 1, Will he inform the House how the £32,000 received from the Commonwealth Government last Christmas for the

relief of unemployment was spent? 2, What were the respective amounts allocated to the local authorities in the metropolitan area? 3, If no specific amounts were allocated, what local authorities in the metropolitan area benefited by expenditure from the grant?

The MINISTER FOR RAILWAYS replied: 1, Main Roads, £15,000; Country Local Authorities, £13,500; Forestry, £4,500; total, £32,500. 2, Nil. 3, Perth Road Board, Canning Road Board, Greenmount Road Board.

BILLS (3)—FIRST READING.

- 1, Collie Recreation and Park Lands.
- 2, Swanbourne Reserve.
- 3, Special Lease (Esperance Pine Plantation) Amendment.

Introduced by the Minister for Lands.

BILL—WORKERS' COMPENSATION.

Second Reading.

THE MINISTER FOR WORKS (Hon. J. Lindsay—Mt. Marshall) [4.48] in moving the second reading said: I have given serious consideration to the speeches of members made last night. The notes of my speech for the introduction of the Bill were prepared some time ago and I have been collecting information during the last seven months. As I presume the statements made by hon. members last night will be repeated during the second reading debate, it is not my intention to deal with them, and I shall not depart from the speech I originally intended to make. I desire to be as brief as possible in my explanation of the provisions of the Bill, and shall first of all refer to the important amendments to the principal Act. The first of these will provide for the establishment of a compulsory and exclusive workers' compensation fund. Another will deal with the appointment of a commission with the Government Actuary as chairman, together with two other members, one to be nominated by the Employers' Federation and the other to be the nominee of the State Executive of the Australian Labour Party. Perhaps hon. members will say that that is where I am wrong!

Mr. Withers: That is where you are right.

The MINISTER FOR WORKS: Another amendment will provide for the trans-

fer of the power to grant and administer lump-sums paid by way of compensation, from the local courts to the commission, who will have power to appoint trustees to administer the lump-sum payments. The Bill also provides that the commission shall have the right to select doctors. A medical board will be appointed to deal with medical matters and medical questions will not be decided by the court. Another amendment will affect the Second Schedule by leaving the maximum amount at the figure set out in the Act at present, but will reduce the minimum to £22, and by the reduction of the payment for medical services from £100 to £52 10s., the right being reserved to the commission, with the approval of the Minister, to exceed that amount if so desired. Another amendment will provide for the reinstatement of a waiting period of three days, that provision having been embodied in the 1919 Act. These represent the principal amendments embodied in the Bill. It is not my intention to deal with the principle underlying workers' compensation, as that phase was dealt with fairly extensively last night. I shall content myself with saying that the principle is recognised almost throughout the whole world. At the same time varying conditions apply in countries elsewhere even as they vary in the States of Australia itself. It will probably, and certainly logically, be stated that a worker injured in the course of his employment should receive full wages, and compensation for life according to the percentage of his disability. At the same time it must be realised that there is another aspect to be considered. It is: What can industries afford? Last night Opposition members talked about reducing the burden. One of the purposes of the Bill is to reduce the burden, but it seeks to do very little in the direction of reducing the compensation that workers are now able to obtain. During the course of the debate last night, I interjected that this question had been a subject for inquiry for a considerable time past. The member for South Fremantle (Hon. A. McCallum) last night read a letter addressed to me, a copy of which had been sent to him from the British Medical Association. It was on Friday last that the representatives of that association waited upon me and handed me that letter. Personally I think the committee from which the letter emanated was not appointed by the British Medi-

cal Association, but by the executive of that organisation. I think those concerned should have kept that communication back until later on. Every member of this House will receive a document that will represent not exactly the letter I refer to but that communication with some slight amendments. That document will set forth the views of the committee of the association. A deputation from the Underwriters' Association also waited upon me in November of last year. In order to permit members to appreciate the position, I shall read certain extracts from the typed copy of the notes of the deputation. I have received many deputations during my ministerial career, and generally those forming the deputations put up their case first. In the instance I refer to, I found that I had to put up my case first before I could ascertain the underwriters' views. What I will now read represents my views and they will be found, practically speaking, to have been embodied in the clauses of the Bill. The notes contain the following:—

The Minister during the discussion emphasised the following points:—

(a) The Western Australian premiums were the highest in the world.

(b) The companies had, in 1925, agreed to a 25 per cent. increase on the then premiums. This was after they had examined the new Act.

(c) £400,000 per annum was collected in premiums and this was altogether too great a strain on industry.

(d) Notwithstanding the high premiums, the companies were represented as making losses on the business.

(e) Probably the high amount of £100 for medical expenses was reflected in the premium rates.

(f) The companies had apparently done nothing in the way of bringing about a more economical and efficient system of medical service.

(g) The British Medical Association was anxious to help in this regard.

(h) Overhead charges totalling about 33 per cent. of the premiums were altogether too high.

(i) In his opinion, the business should be in the hands of one authority instead of a larger number of private companies, and this would enable injured workers being compensated at the lowest possible cost to industry.

(j) He would like suggestions from the underwriters as to how to amend the Act without reducing the benefits to the injured worker, and yet resulting in a big decrease in the premiums.

(k) The Second Schedule should be amended very considerably.

(l) The underwriters should organise the medical and legal services with a view to the prevention of abuses.

The representatives of the underwriters stated:—

(a) The experience of the Act had proved their estimate of 25 per cent. to be absolutely inadequate. The agreement of 1925 provided for a review of the premiums annually; owing, however, to a disagreement, the agreement lapsed.

(b) Medical expenses were heavy and represented 29 per cent. of the amount of the claims paid, made up as follows—Hospital, 6 per cent.; Medical, 19.7 per cent.; Ambulance, .3 per cent.; Other, 2 per cent.

(c) The Second and Third Schedules were unduly exploited, particularly regarding fingers and toes.

(d) The fact that the onus of proof was on the employer was a big factor in the increase.

(e) Solicitors were keen on workers' compensation business, and it paid the companies to admit many claims rather than fight, as they had very little chance of recovering their costs if successful.

(f) It would probably be better if the Second Schedule were abolished, and all cases treated under the First Schedule. This would leave a wider range for negotiations and experience under the old Act showed that this arrangement was entirely practicable.

(g) The increase of the weekly compensation to £3 10s. was a big item in the increased premiums.

(h) A waiting period would eliminate many trivial claims.

(i) The companies had shown losses in the past but the premiums now just about balanced the expenses, without taking into consideration past losses.

(j) The British Medical Association had been approached on various matters, but as the Association had no disciplinary control of its members, everything was purely voluntary.

(k) The costs under the Act were increasing each year as its benefits became better known.

(l) If the employers had the right to select doctors, it would be possible to organise medical service and a big saving would be effected.

(m) The exploitation of the Act by all parties concerned was an absolute scandal.

(n) One of the reasons for the high rates charged for farmers and clearers was the incorrect wage declarations made by the farmers when submitting their proposals. On the basis of the wage declarations, about 7,000 acres only had been cleared during one year.

(o) A revision of the Second Schedule was probably a matter on which the medical authorities should advise.

(p) The alteration of the word "and" to "or" in Section 6 of the Act had a very far-reaching effect, and left the employer very little chance of combating unfair claims.

(q) One of the principal reasons for the companies not having been active in suggesting amendments for the better working of the Act was the fact that the Government in power were unsympathetic.

(r) Reference was made to an agreement between the British Government and the Underwriters' Association whereby 62½ per cent. of the premiums was apportioned to losses and the balance had to cover all expenses including commission and profits.

Then the notes contain the following paragraph:—

After a general discussion the representatives of the underwriters stated that they would go into the matter at the invitation of the Minister, and submit definite suggestions.

Since then they have submitted definite suggestions. Some of them are contained in the Bill, while others are not. I want to emphasise the statement the deputation made, as follows:—

The exploitation of the Act by all parties concerned is an absolute scandal.

To a certain extent I agree with that statement. I know that employers of labour have taken up the attitude that because they had paid their premiums they did not care what, under the Act, might be the cost of an accident. In that way they have added to the cost of the premiums. I have known of men injured, not in the course of employment and yet compensated under the Act. Cases have been brought to my knowledge of shopkeepers and hotel and restaurant keepers, when their employees sustained a slight scratch on the finger necessitating a small bandage, have put them off because it would be unsightly in the business. All these things have added to the cost of worker's compensation. As I say, employers have taken the attitude that since they had paid their premiums it was for the insurance companies to pay up when an accident happened. Members last night spoke of self-mutilation. There is no doubt the employees themselves have exploited the Act in that way. Presently I will show that even the doctors have exploited the Act. Also I am satisfied that the insurance companies have exploited the Act, inasmuch as they have made no attempt to get greater efficiency or reduced costs. Then the Government themselves have exploited the Act, for we find that in Government hospitals workers' compensation cases are charged a higher rate than that charged to private patients. In the Bill before the House there is at least an attempt made to give the community of

Western Australia justice, and also to give men injured in the course of their employment a fair deal.

Mr. Panton: You did not include the Perth Hospital in your remark just now, did you?

The MINISTER FOR WORKS: I said Government hospitals. This information was given me by the committee I have referred to. This is not an employers' Bill, but a workers' Bill. The member for South Fremantle (Hon. A. McCallum) last night declared that hundreds of injured men had been unable to secure compensation because their employers had failed to insure. The Bill will remedy that evil. The hon. member also said there was a flaw in the drafting of the Act. I have the Act here. There is no flaw in the drafting which would weaken its compulsory character. It is clearly stated that it shall be obligatory on every employer to obtain from an incorporated insurance company approved by the Minister a policy. Actually, there are no approved insurance offices in Western Australia.

Hon. A. McCallum: Because they would not accept the business.

The MINISTER FOR WORKS: To begin with, the previous Minister approved of them all, but because they would not agree to accept miner's phthisis risks he subsequently refused to approve of any of the companies. The Bill will remedy that. In future employees will not be concerned as to whether the employer has paid his premium, for the employees, if occasion should arise, will be compensated out of a fund. So it will not be the concern of the employee to ask his employer if he has paid his insurance premium. It will be the duty of the chairman and the commission to strike a rate on all industry. They will divide industry up into grades and will strike a rate which will furnish sufficient to pay compensation as provided in the Act. I believe this will effect a great saving. Last night the member for South Fremantle gave some figures dealing with the administrative costs of insurance. I have those figures here. They are provided by the insurance companies under the Statistics Act. They are the companies' own figures, and so they cannot be discounted. I have said that workers' compensation in Western Australia was costing £400,000 per an-

num. That was the figure for the year ended 30th June, 1930, and it is made up in this way: Private companies £235,000, State office (other than Government business) £53,000, Government departments £90,000, self-insurers £20,000. But I want to deal with the operations of the private insurance companies, which can be clearly seen in the following table:—

WESTERN AUSTRALIAN BUSINESS OF EMPLOYERS' LIABILITY AND WORKERS' COMPENSATION COMPANIES FOR THE UNDERMENTIONED PERIODS.

Year.	Revenue.		Expenditure.			Profit (+) or Loss (—) on year.	Percentage of Expenditure to Premiums under:—		
	Premiums.	Rent, Interest, etc.	Total.	Compensation and Medical expenses.	Other Expenses.	Total Administrative Expenses.	Compensation and Medical expenses.	Commission and other expenses.	Total.
1924	£ 96,360	£ 124	£ 97,000	£ 47,078	£ 12,805	£ 35,507	48.53	36.02	84.57
1925	151,540	220	151,772	87,539	10,840	32,972	57.78	34.86	92.63
1926	158,751	1,802	160,553	132,158	10,135	32,408	83.25	33.73	116.98
1927	82,383	1,047	83,430	68,575	9,803	22,380	83.24	30.18	122.42
1927-28	201,750	1,729	203,478	158,882	20,214	43,610	78.58	34.61	110.38
1928-29	211,970	2,320	214,290	162,395	27,065	80,910	76.53	38.17	114.78
1929-30	231,441	4,164	235,605	157,789	29,432	86,133	68.18	37.22	105.39

*Half year ended 30th June, 1927.

siderably lower than those in Western Australia. That comparative statement showing premiums charged in the various States reveals also that the premiums charged by the State office in Western Australia are about 20 per cent. lower than those charged by the various insurance companies in Western Australia. I want to tell the House that when the Bill becomes law the State Insurance Office will go out of existence as an insurance office. It will do no more insurance work if the Government have their way.

The Minister for Railways: No insurance other than Government insurance.

The MINISTER FOR WORKS: But that is not insurance, any more than this Bill can be called insurance. The Bill is for an Act to compel industry to pay contributions to a fund to be used for a special purpose. In the case of a person who carries his own risk, he pays a portion of his revenue into a sinking fund to meet any future losses. The member for South Fremantle last night, referring to the State Insurance Office, said it had made a profit of £30,000 while its administration costs had been only 4.8 per cent. Here is a table of the operations of the State Insurance Office in workers' compensation during the last four years:—

STATEMENT SHOWING OPERATIONS OF THE STATE INSURANCE OFFICE IN REGARD TO WORKERS' COMPENSATION INSURANCE FOR THE FOUR YEARS ENDED 30-6-30.

Year ended 30th June.	Premiums.	Claims.	Administration expenses.	Percentage of Expenditure to Premiums under:—		Net Profit.
				Claims.	Administration.	
1927	£ 23,857	£ 21,375	£ 1,065	89.6	4.5	£ 1,417
1928	38,161	33,889	1,201	93.7	3.6	1,417
1929	47,021	40,179	1,268	86.3	3.0	987
1930	53,005	49,141	1,515	91.7	2.8	845

So one can see it is not a very profitable business. I think members have received a list showing the premiums charged in every State of Australia. It will there be seen that those charged in Western Australia are by far the highest in the Commonwealth, at least twice as high, and in many instance three or four times as high, as those charged in other States. Even in New South Wales, where the benefits offered are greater, the premiums are con-

Hon. A. McCallum: Does that include miners' phthisis?

The MINISTER FOR WORKS: It includes the Third Schedule, of course, but not the risks under the Miner's Phthisis Act.

Hon. A. McCallum: Yes, it does. We paid more than you have mentioned to the Government.

The MINISTER FOR WORKS: That has nothing to do with the question.

Hon. A. McCallum: You are dealing with only the outside business.

The Minister for Works: I have explained that. These are premiums collected from private industry.

Hon. A. McCallum: Do you include the mines in private industry?

The MINISTER FOR WORKS: Certainly not. This is money received from private individuals, and the Government by no stretch of imagination can be described as a private individual. I am not suggesting that under this Bill the administrative costs will be anything like what I have mentioned. The State Insurance Office is in a different position. It pays no rent, rates or taxes; its costs are for salaries and stationery only, and it has not to look for business. The business goes to the office. Therefore the administrative expenses under this measure must be considerably higher. The member for South Fremantle last night gave figures dealing with the administrative charges in State offices in other parts of the Commonwealth. The percentage of administrative expenses to premium income of various States and countries is as follows:—

Queensland State office	15.6
New South Wales State office ..	13.6
Victorian State office	9.2
New Zealand State office	15.6
Western Australian State office ..	5.0
Western Australian companies (approx.)	37.0
Ontario, Canada	4.8

Queensland has what may be called a workers' compensation fund and investigations made by myself and others convinced us that the administrative expenses there were unusually and unnecessarily high. One reason why Ontario's percentage is so low is that the system of insurance there is different. Ontario has a workers' compensation fund; in fact every province in Canada, except two, has a compulsory fund, and 12 of the States of America also have a fund.

Ontario's fund covers only certain industries, farm labourers and domestics being excluded, while employees in establishments where fewer than six men are engaged are not covered. Consequently the administrative costs would be higher in a country like Australia where every worker is insured. Even if we allow that under this amending measure the administrative costs will be as high as they are in Queensland, which I hope they will not be, we shall save, of the £235,000, at least £50,000 to £60,000 a year.

I mentioned that medical expenses would be reduced from £100 to £52 10s. There is a proviso that the commissioners may exceed that amount with the approval of the Minister. I am not much concerned about the amount of the medical expenses, but the limit is inserted as a safeguard lest some doctors might be tempted to go too far. Since I have been administering the Act, I have on two occasions exceeded the amount of £100 in order that some worker who had been injured and had not recovered might undergo an operation at the hands of a specialist. By exceeding the amount by £22 in one case and £7 7s. in another, considerable actual saving was effected, because both men were able to return to their work subsequently suffering no disability.

In October last I had a conference with representatives of the British Medical Association. I am perfectly satisfied that they are wholeheartedly with us in the desire to give greater service, secure greater efficiency and reduce the cost of the medical service. Let me read a few extracts from the report of the deputation on that occasion:—

Dr. Gill said the association realised that to remove all imperfections would mean a very comprehensive alteration to the existing law and they therefore suggested the following items for immediate consideration:—An alteration to the second schedule by reducing some of the items. A reduced scale of charges for medical services, say, 10s. 6d. for each of the first two visits, 7s. 6d. each for the following two visits and 5s. per visit thereafter. A fixed scale would be of considerable assistance particularly to the younger doctors, who had little experience in the matter of lumping their charges and arriving at a reasonable amount to cover the whole case.

Dr. Anderson said the medical profession realised that immediately £100 was provided in the 1925 Bill, without any provision for adequate supervision being made, action would be necessary, and they therefore suggested the appointment of a joint committee with the underwriters. The provision of the £100 without proper safeguards was, in his opinion, the major blunder of the 1925 Bill.

The injured worker should be guaranteed that he would be placed in proper hands at the earliest possible time after receiving an injury. The adequate supervision of the medical treatment was the crux of the whole position. The B.M.A. recognised this and were anxious to co-operate with the Government in every way possible. Many of the permanent disability losses now paid for were occasioned by the worker not receiving expert attention within a reasonable time after the injury.

Dr. Holland said considerable wastage occurred by the action of employers in connection with workers suffering minor injuries through their not being anxious for the return of the workers at the earliest possible date or allow such workers to be employed at some other, perhaps lighter, class of work during the healing period. All second schedule losses should be dealt with on their merits according to the degree of disability suffered, taking into consideration the injured worker's ordinary occupation. If the Government would give the association three months, they would undertake in that time to draw up a complete scheme of medical organisation for the approval of the Government, which they felt sure would be acceptable to all parties, in that it would be more economical and more efficient than the present system. The maximum of £100 for medical attention might, without hardship to anyone, be reduced to £50, with special provision in regard to the North-West and out-back districts. Most of the medical accounts ranged from £2 to £10.

It seemed a most remarkable request, coming from a member of the British Medical Association, that the amount should be reduced from £100 to £50.

The Minister, in reply, thanked the association for their offer of assistance and explained that his object was to render to the injured worker the most efficient medical attention and fair compensation, and to secure his early return to industry. The present Act is undoubtedly costing far too much. The Western Australian premiums, so far as he could ascertain, were the highest in the world. Undoubtedly the proper organisation of the medical service was a big problem, and a big factor in the efficient working of the Act. The second schedule also required amending and was, compared with other countries, unduly generous, particularly in regard to the loss of joints of toes and fingers. In his opinion the term "insurance" should not be applied to the Workers' Compensation Act, but rather should be looked upon as a fund to which employers contributed for the compensation of their injured workers.

That conference took place in October last, so I do not want the House or the public to think that the suggestions made last night have not been thoroughly considered. They were considered long before the speeches were made last night. I have a copy of the

letter read last night by the member for South Fremantle. I intend to read only one or two extracts in order to emphasise them.

Consideration of present Acts with constructive criticism.

The 1912-1924 Workers' Compensation Act brought compensation in this State up to date, but like all advances in legislation, it has revealed certain weaknesses in operation. To those weaknesses that concern medical matters, we beg to direct attention and suggest improvement. Central supervision is lacking.

This Bill provides for that. Then the letter goes on to deal with overhead costs and agents' commissions. Following the speeches made last night, members opposite must support the second reading of the Bill, because what they said should be done has already been done and is embodied in the Bill.

Mr. Panton: Great minds were thinking alike.

The MINISTER FOR WORKS: But I did the thinking first of all, and so perhaps it was merely a matter of thought transference.

Mr. Panton: I thought you said you got the idea from Queensland, Canada and America.

The MINISTER FOR WORKS: Not this one. At present it is very hard to get a decision in a medical case. The matter goes to the court where one doctor is heard against another and the magistrate has to make a decision. Under the Bill the whole of the matters pertaining to medical questions will be referred to the medical board and their decision will be final. This should have a tendency to secure uniform decisions and certainly will reduce the cost. Members of the board will not be directly interested, and provided we select the right men, I believe we shall not only ensure a fair deal to the workers, but will help to reduce the present heavy expense.

Hon. J. Willcock: Is the decision of the board not subject to appeal of any kind?

The MINISTER FOR WORKS: Not on medical questions, which will be referred to the board by the commission.

Mr. Marshall: Does your Bill propose to take the business out of the hands of the insurance companies in this State?

The MINISTER FOR WORKS: I have already said so. Surely there is no need to repeat it!

Mr. Marshall: You were so indistinct that I did not understand you.

The MINISTER FOR WORKS: If there is one member whom I should not expect to understand me, it is the hon. member. At present 93 per cent. of the claims made are in respect of temporary disablement, and the average amount paid for temporary disablement was £8 1s. 1d. under the 1912 Act and £8 18s. 9d. under the existing Act. Under the 1912 Act, the maximum amount allowed for medical expenses was £1, and the average amount paid in medical costs in the case of temporary disablements was £6 4s. 10d. In connection with medical expenses for claims under the second schedule in the case of Government workers, this averaged under the present Act £51. Last night the debate rambled all over the world. I have all the information available with which to reply to those statements. It is, however, my intention to deal with Australia, and to make comparisons between other parts of the Commonwealth and ourselves. The medical expenses in the States of Australia are as follows: New South Wales, there is a maximum of £50, being £25 for hospital and £25 for medical (an allowance of £2 2s. being made for ambulance if the service is necessary); Victoria, nil; South Australia, nil; Tasmania, nil; the Commonwealth, £100; Queensland, the cost of medical attendance supplied by the commission is deducted from compensation, and in Western Australia the maximum at present is £100. In his speech last night the member for South Fremantle (Hon. A. McCallum) said that if in the Bill he had brought down he had assumed the right to control the medical services, he would have been told he was trying to destroy those services.

Hon. A. McCallum: I did not say anything approaching that.

The MINISTER FOR WORKS: I have here extracts from his speech. He said he had inquired into the question of the control of medical services, and that had he attempted to control them he would have been blamed for trying to destroy them, or something of the kind.

Hon. A. McCallum: I did not say anything of the kind.

The MINISTER FOR WORKS: By this Bill we are prepared to take the blame, because we think that is necessary. The blame will not amount to much because members of the medical profession are agreeable to

our taking it. I agree that the majority of other countries provide medical expenses to a greater extent on the average than do the States of Australia.

Hon. A. McCallum: In the Eastern States you have to take into account the fact that hospital attention is given free. In Queensland, where they have Government hospitals, every man is treated in them without any charge.

The MINISTER FOR WORKS: That has nothing to do with this subject. In this State, every person under a certain wage receives free hospital treatment.

Mr. Panton: Not in the case of workers' compensation.

The MINISTER FOR WORKS: No, and that is not done in the other States, either.

Hon. A. McCallum: Any worker who meets with an accident in Queensland gets free treatment in a Government hospital.

The MINISTER FOR WORKS: I will deal with that later on. I always have the opportunity to reply to statements that have been made during the debate, and I will take particular steps to give the House all the information. I have here an extract from an international Labour publication, entitled "Workers' Compensation for Industrial Accidents." This says—

Where free choice of doctor by the workman is permitted, there can be, properly speaking, no medical organisation.

That is the reason why we have dealt with the question in this way. We believe that the commissioners (assisted as they will be by the Medical Board), who have a wide knowledge of the right class of treatment for any patient, should have the right not only to say what particular doctor shall be employed but what particular treatment shall be meted out to the patient. I mentioned I had found it necessary in some cases to exceed the limit of £100. I also stated I was not very much concerned as to whether it was £100 or not. The very fact that we have made provision to allow the commissioners to exceed £50 when they think necessary, without any limit being placed upon them, shows that I do agree with this principle. Certain cases have been brought before me showing the necessity for a proper organisation of the medical service. I have cut out the names and the districts, as well as the names of the patients. The first claimant I will deal with injured his right knee. He was placed under the care

of a local doctor, who performed an operation. The man was no better as a result of the operation, and apparently his leg was permanently disabled. He was brought to Perth for examination, and an X-ray photograph was taken of the injured knee. The photograph showed that all of the foreign bodies had not been removed, and that apparently the operation had been performed in the wrong part of the knee. Another operation was performed, and the remaining foreign bodies were removed. The man was then examined by a medical board, which assessed his disability in the knee at 50 per cent., and it was found he was fit for light work. It is probable that if the man had been treated in Perth at the outset there would have been no permanent disability in the leg. The medical expenses incurred amounted to £160 5s. 1d., and the amount paid was £100, leaving a shortage to be paid by the claimant of £60 5s. 1d. If the man had come under the care of the right man and had received the right X-ray treatment, he would have been saved a considerable amount in medical fees, and would have been able to return to work more quickly. In another case, the claimant was working on the road. He was knocked down by a motor truck and sustained a sprained knee. He was treated by a local doctor, and two months later was certified as fit to resume work. Three months after, he ceased work and was again put under the care of the doctor. As the man was making no improvement after two months, the doctor suggested that he should come to Perth for treatment by a specialist. The knee was examined, and the manipulation of the knee joint under a general anaesthetic was suggested. Within a month the man was certified as fit to return to work. The total amount of compensation paid was £64 2s. 6d. The medical expenses incurred amounted to £126 15s. 5d., and the amount paid was £103 6s. 11d. That amount was given because I agreed to excess the vote in order that the treatment might be paid for. I have several other cases of the kind showing that certain doctors were not specialists in the ailments concerned, and certified to the men being permanently disabled. In one case of this kind, the State Insurance Office decided to bring the patient before a specialist, and the result was that permanent disablement was got rid of, and the man returned to work. In another case,

a man was certified as being 50 per cent. permanently disabled. He was brought to Perth and the result was that within a month he was able to return to work. The principal amendments made by the Act of 1925 to the Act of 1912 enabled a maximum for medical expenses of £100 to be paid in lieu of £1, increased the maximum compensation from £575 by increasing the items in the second schedule by 50 and 100 per cent. respectively. As members will see from the figures, the premiums under the 1912 Act were considerably less than half those which exist to-day. It is better I should impress a few of these figures upon members. I will take first the compensation paid to butchers. In New South Wales it is 34s., in Victoria 20s., in South Australia 17s. 6d., in Queensland 26s., and in this State it is 90s. in the case of the insurance companies and 50s. in the case of the State Insurance Office. In the case of farmers, the amount is 30s. in New South Wales, 16s. 6d. in Victoria, 22s. 6d. in South Australia, 16s. in Queensland, and in this State 65s. in the case of insurance companies and 52s. in the case of the State Insurance Office. The greatest increase in the premiums is upon the timber industry. The percentage increase in connection with the timber industry as it affects the sleeper cutting is 669.2 per cent. Every member will agree that this shows the absolute necessity for giving some relief to the industry from such excessive costs. Whether we agree as to the actual method of arriving at this, remains to be seen. The important problem confronting any Government to-day is to reduce the cost to our primary producers, who cannot increase the price at which they sell their goods overseas. Our only hope for the future is to reduce the cost of production. Members have referred to the fact that many fingers and toes have been dealt with in the South-West. I have here a letter from the State Sawmills. The mills do not use any hewn sleepers or get them cut. The figures I have apply only to the saw-milling. They show that workers' compensation costs for sawmilled timber amount to 3s. 6.55d. per load. That is altogether too heavy a burden for the industry to stand. The premium amounts to £10 per £100 in the case of the insurance companies and 180s. in the case of the State Insurance Office. In the sleeper hewing in-

dustry, the premium is £25 per £100. I understand this works out at 14s. 1d. per load. I have some figures obtained from the State Insurance Office which will show that notwithstanding these high premiums, a heavy loss is incurred. In the case of sleeper cutting, the premiums received amounted to £7,527 9s. 3d., but the claims paid out came to £16,742 8s. 6d., the claims thus being nearly twice as much as the premiums paid. I think a great deal of the complaint about toes and fingers is due to the fact that the persons injured are paid too much. A sort of encouragement is given to certain classes of people deliberately to maim themselves.

Mr. Sleeman: You do not suggest that Britishers would cut off their toes in order to get the money?

The Minister for Mines: There are other than Britishers engaged in the timber industry.

THE MINISTER FOR WORKS: In the case of firewood cutting, the premiums paid amounted to £10,269 0s. 1d., and the claims to £10,281 17s. 5d.

Hon. A. McCallum: They are nearly all at Kurrawang.

The MINISTER FOR WORKS: I have referred to the premiums as being 200s. and 18s., these being excessive. It will be seen that there is no comparison between the other States and ourselves, whereas in many cases the benefits given are similar to those obtained here. In the case of sawmilling and log hauling, the premiums amounted to £3,408 6s. 1d., and the claims to £2,467 12s. 4d., there being a slight profit there. In the case of sawmilling and sleeper cutting, in which the premium is 200s., the premiums amounted to £2,080 10s. 5d., and the claims to £2,574 11s. 10d. Figures like that show it is necessary for the Government to take some drastic action. Let me now take farming. The premiums paid amounted to £1,545 7s. 3d., and the claims to £1,755 13s. 7d. Even in the farming industry, the claims did not cover the losses. Then we have the local government insurances. Members will see that very high premiums are charged for working in quarries and for road making. The premiums paid amounted to £4,587 11s. 7d., and the claims to £4,615, 11s. 10d., so that the premiums did not cover the amount of the claims. I intend to make

some comparisons with the other States. I agree that with respect to benefits, one State in Australia gives more than Western Australia. I refer to New South Wales. On the list that I have supplied to members there will be seen the maximum amount payable. New South Wales gives a maximum amount of £1,000 and £52 2s. for medical expenses. Queensland's maximum is £750 without medical expenses. South Australia's total is £700, and that of Victoria, £600. So far as Queensland and New South Wales are concerned, the weekly payment is 66 $\frac{2}{3}$ per cent. as against our 50 per cent., but in New South Wales certain medical expenses are allowed. The Queensland regulations give power to the commissioners to decide what medical treatment shall be received, and they deduct the money from the compensation to be paid.

Hon. A. McCallum: There is a Hospital Act in Queensland.

The MINISTER FOR WORKS: And we have a Hospital Act here; I thought the hon. member was aware of that. I agree that the maximum wages in both those places is more than it is in Western Australia. In New South Wales it goes up to as much as £5, with a certain number of children, and in Queensland it reaches £4 5s. adding a number of children. In Western Australia the maximum is £3 10s. Notwithstanding that, I repeat that the New South Wales Second Schedule is exactly similar, word for word, letter for letter, to that of Western Australia except that the figure for total disablement is £1,000 in New South Wales, whilst ours is £750 for total disablement. We find that in Queensland the premiums are not half what are paid in Western Australia. In some places they are one-third. In New South Wales the premiums are considerably less than those in Western Australia. One must examine these things and ask the reason why. In New South Wales there is a waiting period of seven days, and if the injury does not last for more than 14 days there is no compensation for the first seven days. In addition, medical expenses in New South Wales total £52 2s. Our total is £100. That is the only reason I can see for the premiums in that State being lower. In Queensland the maximum is £750 without the £100 for medical expenses, and yet the premium there is between 200 and 300 per cent. less than ours. Why? So far as I can see the principal

difference is in the Second Schedule where no compensation is paid for the loss for part of a toe, and where compensation for fingers is down as low as £37 10s.

Mr. Kenneally: That is the way to save money.

The MINISTER FOR WORKS: Of course the hon. member would make a cheap sneer; he is a cheap individual himself.

Mr. Kenneally: Of course, let the worker stand it! It is a good way to save money.

The MINISTER FOR WORKS: Coming to the Second Schedule, it is proposed to leave the maximum as it stands to-day at £750, but to reduce the minimum for the loss of the joint of a finger from £90 to £22, and to abolish altogether payment for the loss of the joint of a toe other than the big toe.

Mr. Kenneally: And this is the better measure!

The MINISTER FOR WORKS: The Schedule has been drafted on a scientific basis by medical men. Under the First Schedule a man can elect to come under it and if he can show that he has a special disability, the medical board will hear the evidence and arrive at a decision. As was pointed out last night, to a piano player the loss of a finger may be a greater disability to him than it would be to a navvy.

Mr. Wilson: What about the fiddle players?

The MINISTER FOR WORKS: They only play in Scotland.

Mr. Wilson: That's a bloody cheap way of talking, too.

The MINISTER FOR WORKS: I have already referred to the low premiums paid in Queensland, and on that account it might be suggested that that State is making a loss. As a matter of fact Queensland has shown big profits on its low premiums. In Western Australia at the present time quite a number of people are not insuring their employees. Under the Bill it will be the duty of the commission to see that every person engaged in industry in the State is insured, and those who are not paying to-day will be obliged to pay. In its operations the State of Queensland has made a very big profit, and no less a sum than £375,000 has been appropriated to general reserve out of profits. In Western Australia the maximum compensation for phthisis is £450. The premium charged is merely nominal, and it has always

been the practice to take some of the profits from the Workers' Compensation Fund to pay the losses incurred under the Phthisis Schedule of the Act. Last year £26,000 was paid in this way. The next important question which may give rise to some discussion is that of the introduction of the waiting period. In New South Wales it is seven days, having been altered from three days in 1929. I tried to find out the reason for that alteration but was unable to do so except that it may have been for the purpose of saving money. I looked up the debates but could not gather anything definite. In Victoria the period is one week. In Queensland it is nil and previously—until 1925—it was three days. The reason given in that State for the abolition was that the fund was £250,000 in credit and the period therefore could well afford to go out. That does not apply to Western Australia. In South Australia it is one day, while in Tasmania it is three days. In the Commonwealth it is nil, and it is also nil in Western Australia. Under the Bill it is proposed that there shall be no compensation for the first three days unless the injury lasts for more than 14 days. This matter has been well ventilated in other countries of the world. Notwithstanding what the member for South Fremantle (Hon. A. McCallum) said, there are very few countries in the world that have not a waiting period. In the United States only two States exist where there is not a waiting period. All the others have it, and it varies from three to 14 days. I have here an extract from a publication issued by the International Labour Office, entitled "Compensation for Industrial Accidents." It deals interestingly with this subject, and says—

The great majority of laws—about three-quarters—specify that incapacity lasting less than a certain small number of days—between three and seven—does not entitle to compensation. The very provision of a waiting period as well as its plan and length are the result of compromise. On the one hand the workman's right to compensation is essentially the same whether his incapacity lasts one, 10 or 100 days; on the other hand there is the inexpediency of compensating for incapacity of very brief duration.

One object of such provision is to avoid putting administrative machinery into motion on account of trifling injuries. If no waiting period were provided the way would be open for a large volume of small claims which would place the employer or insurance institution in the difficult dilemma of either making an investigation whose cost would be dis-

proportionately great in relation to the amount of compensation concerned or paying without question, which might involve such unjustifiable expense.

A second object of the waiting period is to discourage malingering by making the workman bear the loss of wages during the first few days of incapacity.

Hon. A. McCallum: You will do more than anyone to encourage malingering. This is a direct incentive.

The MINISTER FOR WORKS: I am giving history.

Hon. A. McCallum: You are not giving complete history.

The MINISTER FOR WORKS: I am not absolutely wedded to the proposal. I have embodied it in the Bill for a special reason, and because of information given to me. Many workers meet with a slight injury which could well be treated by themselves or by the employer with a first-aid outfit. Now, however, they see a doctor, and because they consult a doctor they put in a claim. The very fact of putting in a claim sets in motion the administrative machinery, and so there are incurred administrative costs. I believe that if the proposal were included in the Bill many of the small things that in my opinion should not come under the provisions of the measure would not be heard of, and men would speedily return to work. It may be said there would be the point of view that something might happen if a claim were not put in and in that event it would not be possible to make a claim at a future date. There might be a slight cut on a finger and it may look all right, but if it becomes poisoned later on and a serious illness follows, so long as notice has been given in such a case, a claim may be made in the future. I believe I have dealt with most of the matters I intended to refer to, except perhaps one. At the present time all workers' compensation premiums cover Employers' Liability and Common Law. It is the practice now for workers' compensation policies to also cover Common Law and Employers' Liability, and it is considered advisable to obviate the necessity for employers to take out additional policies in this connection. If we exclude from this measure "Common Law and Employers' Liability," practically every employer who wishes to protect himself in those two respects will be compelled to take out an additional policy.

The liability involved is small; Mr. Reid tells me that he has not had one claim in 17 years. Nevertheless, premiums would have to be paid; and this would not be worth while. In Great Britain during 1928 the number of cases arising under employers' liability was only 42, and in 20 of those cases the courts awarded compensation totalling £4,420. Therefore, this Bill includes Common Law and Employers' Liability. Queensland abolished the employers' liability phase long ago. The people who have helped me in drafting the Bill possess expert knowledge of the subject, having worked in insurance offices; and they consider that if the measure is enacted as drawn, premiums can be reduced to the level at which they were in 1912. They believe, further, that when the measure has been in operation for some little time, premiums will be reduced to something comparable to what they are in Queensland. Hon. members, even if they oppose some details of the Bill, will agree that many of its principles are principles which they themselves have advocated. Therefore I ask that members, leaving party politics on one side for the time, will give honest consideration to the Bill, though certainly it will arouse opposition from some people. I ask hon. members to try to help the Government to achieve something towards the solution of the most important question facing Australia, namely to reduce the cost of production. I move—

That the Bill be now read a second time.

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

MINISTERIAL STATEMENT—LOAN COUNCIL.

Consideration of Premier's Report.

THE PREMIER (Hon. Sir James Mitchell—Northam) [6.2]: I move—

That the statement made to the House on the 12th May be received.

HON. P. COLLIER (Boulder) [6.3]: Newspaper reports of the proceedings of the many meetings of the Loan Council which have taken place in recent months have made us familiar with the subject matter of the statement made by the Premier on Tuesday. Undoubtedly Australia

lia is facing, indeed is in the midst of, the gravest financial, economic, and social crisis of its history. Whilst there is, on the whole, general agreement as to the causes which have led up to the position in which we find ourselves, there is unquestionably a great divergence of opinion as to the remedy or remedies that ought to be applied in order to get us over our difficulties. There can be no doubt that the fall in the national income—estimated, according to the figures given by the Premier, to amount to £125,000,000 during the present year—has been a most important factor operating to create the general position. But it is not the only factor. And here I will say, if I may, that I agree with very much of the notable speech made by the Chief Secretary recently, and especially his statement that apart from the fall in the national income the policy which has been pursued for many years by Australia generally, led us inevitably into trouble. I consider that Australia in past years, and especially during the last 15 years, has indulged in over-borrowing. A brief examination of the figures convinces one that Australia has borrowed altogether too much—that the Commonwealth and all the States, and all kinds of Governments, have largely over-borrowed, especially during the past 15 years. Side by side with that over-borrowing, Australia has imported goods to a greater extent than it ought to have done during the same period. That has resulted, as hon. members well know, in the balance of trade being against Australia to a considerable extent during recent years. Over-borrowing led to over-importation, because the loans we raised in London enabled us to provide the money to pay for goods which we desired to import. Thus over-borrowing led to over-importation, and at the same time, having regard to our increased indebtedness, we have been under-producing for the past 15 years. It naturally follows that if we borrow comparatively large sums of money, and if we import goods in huge quantities, we must increase our production in order to meet our responsibilities oversea by way of interest payments and the cost of imported goods. Only by increased wealth production can we pay for the goods that we import and meet interest payments on the loans we have raised. Therefore I say that

the present position has been brought about by over-borrowing, by over-importation, and to some extent by under-production on the part of Australia, under-production which was very considerable in the Eastern States during recent years on account of seasonal conditions; these adverse factors operating together with the great fall in the national income which I have already mentioned. That fall is due not only to decreased production of our staple exports, such as wool and wheat, in the eastern portion of the Commonwealth, but has been accentuated by the tremendous drop which occurred last year in the prices of our chief export commodities. There are other factors, but I do not propose to discuss them to-night. I desire to avoid entering into a discussion of the relative merits of Federal Government or Federal Opposition policy. I will only express, in passing, my profound belief that the private banking system and control of currency existing in Australia have a great bearing on the condition of things as we find them now. I consider it worth while to refer to our over-borrowing, because that has brought with it the burden of heavy interest payments. Here let me say that whilst many arguments are advanced on the public platform, in Parliaments, and in the Press as to the cause of our troubles and the remedies for them, the matter of interest payments is nearly always passed over lightly. Certainly, in some cases reference is made to them, but only, it seems to me, for the purpose of justifying the more vigorous onslaughts that it is desired to make in other directions. I wish to remind the House of some of Australia's borrowings and what they have brought upon the Australian people. It is well at this juncture to call to mind that in the year 1914, the year in which the war broke out, Australia had no war debt, and that the public debt of the Commonwealth for works and other purposes then amounted to only £19,000,000. In order to save time I shall use only round figures.

The Premier: Only £12,000,000?

Hon. P. COLLIER: Yes; the public loan debt of the Commonwealth Government. In 1915 we naturally began to accumulate war debt, and in that year it amounted to £15,000,000. Naturally also, that debt increased rapidly year by year, until in 1919, after the four years of war, we had acquired a war debt of £280,000,000. From nothing in 1914 to £280,000,000 in

1919! The amount of the war debt fluctuated in the succeeding years, a little above and a little below according to repayments, until last year it stood at £282,000,000. The other debt of the Commonwealth, which stood at £19,000,000 in 1914, had increased during those years to £90,000,000, making a total Commonwealth indebtedness of £372,000,000. Those figures are significant, because it might reasonably be supposed that the £90,000,000 of Commonwealth public debt apart from war debt had been expended on public works, or works which could be regarded as of a reproductive character or a wealth-producing nature.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. P. COLLIER: I have already recalled to the minds of hon. members the fact that the war debt of Australia represents £282,000,000 and that the public debt for works and other purposes amounts to £90,000,000, making a total of £372,000,000. I should like to remind the House also of the fact that the war debt of £282,000,000 has been running on since 1919 and the Commonwealth has had to find the interest charges, at a comparatively high rate, upon that amount. It will readily be understood that as Australia incurred that indebtedness for war purposes alone, it cannot be expected that there can be any return whatever from that huge amount. In other words, from the standpoint of the material prosperity of Australia and her capacity to pay interest on borrowed money based on sound investment, that money might just as well have been dumped into the sea. Thus we are burdened with the interest on a debt of £282,000,000 for war purposes, from which there is no hope whatever of securing any return that will assist us to the slightest degree in meeting our interest payments. That is distinct, of course, from the £90,000,000 that has been expended on public works and in other directions. It will be appreciated at once what a great burden that represents to the community. Taking the year 1914, and considering the position of the States themselves, we find that the total public indebtedness amounted to £320,000,000 for the States alone. Adding to that the Commonwealth public debt of £19,000,000, to which I have already referred, we get a total indebtedness for the Commonwealth and States

combined of £339,000,000, or a debt of £68 11s. 9d. per head of the population. The States went on borrowing year after year, the amount increasing annually until last year, 1930, the total debt in 1914 of £320,000,000, had increased to £727,000,000. That applies to the States alone. Added to that, there is the Commonwealth indebtedness, bringing the total for all Australia up to £1,100,000,000. So we find that the debt per head of the population has increased since 1914, when it stood at £68 11s. 9d. per head, until it stands to-day at £170 17s. 6d. Let us see how these interest payments must inevitably follow upon such a borrowing programme. In 1914 the total interest payment on the public debts of the Commonwealth and States amounted to £12,000,000, or £2 9s. per head of the population. In 1918, only four years later, the total amount had increased to £27,000,000, which meant that the amount was considerably more than doubled, or £5 8s. 11d. per head. I am dealing with the interest responsibilities of the Commonwealth, and it will be seen that year by year those responsibilities have increased to such an extent that whereas in 1914 the interest payments of Commonwealth and States represented £12,000,000, our interest responsibilities to-day represent £55,000,000. That is the increase apparent in the course of 15 years. That means that the interest charged per head of the population increased from £2 9s. to £8 12s. Those figures are significant.

The Premier: That has been the increase in 17 years?

Hon. P. COLLIER: No, my figures are taken up to 1930, so the increase is for 15 years. That means that the people of Australia are individually charged with the responsibility of finding £8 12s. in payment of our interest bill, as against £2 9s. that was required 15 years ago.

Mr. Richardson: An increase of nearly 400 per cent.!

Hon. P. COLLIER: I think those figures are illuminating, and serve to indicate the important part played by interest payments in the present condition of Western Australia. I have already pointed out that of our total indebtedness, £282,000,000 cannot be regarded as reproductive in any sense whatever. It was lost in the war. I think what I have indicated confirms my statement that we have borrowed overmuch. That

is to say, we have borrowed to an extent, and imported goods to an extent that we have not been able to meet our payments overseas because we have not kept step with increased production of exportable commodities in this State that would have enabled us to meet the payments overseas. We can meet our payments overseas only by producing exportable commodities, wealth that can be exported overseas to meet our interest payments and the payment for goods we import. Thus, I consider that in the general discussion that has taken place and the publicity that has been devoted to the situation of Australia to-day, far too little consideration has been given the burden of interest payments. In saying that much, I am not suggesting, of course, that Australia or any part of Australia should adopt the Lang policy, the short cut of repudiation. On the other hand, I do suggest that there is great room for negotiation with the bondholders in the Old Country.

Mr. Wilson: Hear, hear!

Hon. P. COLLIER: There is room for negotiation so that by agreement the burden of interest that the people of Australia are carrying to-day may be reduced. I further believe that the British Government will be willing to meet us. That is evident by the fact that the postponement of interest payments for two years has been agreed upon.

The Premier: That applies to a small amount only.

Hon. P. COLLIER: That applies to the debt of the Australian Government to the British Government.

The Premier: There are 300,000 people holding bonds.

Hon. P. COLLIER: Yes; of course, I realise that the postponement of interest has been made on a comparatively small sum because the major portion of our indebtedness in Great Britain is owing to individual bondholders.

The Premier: There are some 300,000 of them.

Hon. P. COLLIER: And it will be difficult to negotiate with all those people for any reduction. When we have regard to the fact that we can only pay our interest charges by means of the commodities we produce in the State for export overseas, and that to-day I think I am right in saying that we must produce three bags of wheat, instead of the one bag it was

necessary to produce when the debt was contracted, in order to meet our obligations overseas—that is because of the fall in prices—the utter impossibility of coping with the position will be apparent. It is utterly impossible for this or any other community, no matter how well meaning the people may be regarding the discharge of their obligations, to meet those commitments because we are not producing the quantity of exportable goods to-day, having regard to present prices of quantities, sufficient to enable us to meet our obligations in the way we could have done a few years ago when prices were three times as high as they are to-day. That applies particularly to the prices of wheat and wool, but it applies to other commodities as well. I need not refer to the position of base metals, timber and so forth. Some re-adjustment of our interest charges will have to be made. While I do not want to anticipate trouble or suggest that we shall not be able to meet our obligations overseas, the present outlook to my mind points to the fact that no matter how well intentioned we may be, we shall not, in the next six months or more, be able to meet our interest charges and payments due overseas. There is a difference of opinion in Federal circles as to what ought to be done in that respect, but that is how it appears to me. I am firmly convinced that the rate of interest should be reduced in Australia as well as overseas, and I believe that it could be done in a reasonable way by means of negotiation.

Hon. J. C. Willcock: They get it back by way of taxation.

Hon. P. COLLIER: Yes.

The Premier: We do not. We pay the rate and the Federal Government get the tax.

Hon. P. COLLIER: Another matter, a minor phase I admit, is that the London market has been closed to us since 1929. It was closed to us for borrowing purposes when I was in office.

The Premier: Except for short-term loans.

Hon. P. COLLIER: And the market has been available until quite recently for short-term loans.

The Premier: Until September of last year.

Hon. P. COLLIER: Yes. The London market was closed a considerable time before the present Commonwealth Govern-

ment took office—because we had already reached a position in which the investors in Great Britain had made terms so stringent that Australia could not borrow. To a great extent that was due to the propaganda that had been going on in the Old Country. It was, perhaps, justified in some ways. But I found when I was there five or six years ago—and I understand the position has not altered since—that nothing to the advantage of Australia appeared in the principal papers in England. Everything that was detrimental or calculated to harm the prestige of the Commonwealth had broad headlines. For instance, in the course of the whole six weeks I was there the only news from Western Australia that appeared in the London papers—and it was given double headlines in big type—was the strike of waitresses in Perth. This was dealt with in a manner that made it appear to the average reader in the Old Country, who does not know Australia and our methods of handling these troubles, that it was of a wide-spread Australian character. And there were featured day by day, reports of riots in the city of Perth in consequence of the waitresses' strike. And if a drought or something else calamitous took place in Australia, that was featured as well. There are in Australia men whose business it is to forward news to the Old Country regarding the doings of Australia, and those men, or some of them, seem to me to be actuated by no other desire than to damage the standing and prestige of Australia. Why do they feature these things, the things that are going to work harmfully against us? For several years past there has been a special correspondent of an important London newspaper, "The Financial Journal," who, I believe, is stationed in Sydney. He has been writing a series of articles weekly to his journal, articles harmful and detrimental to Australia. It is the function, I take it, of any newspaper to present the facts of any given situation to its readers; but when the correspondents indulge in exaggeration, in many instances wild exaggeration, to the detriment of this country I think some steps ought to be taken to counteract their influence. As a matter of fact, the High Commissioner for the Commonwealth has had to take steps, issue pamphlets and make statements in the principal newspapers in England, to refute and combat the misleading propaganda that

has gone forth. And a bad feature of this propaganda seems to me to be this, that those who are responsible for cabling it to England are doing it in the interests of party politics. Because whenever in any State of Australia a Labour Government happens to be in power, or when a Labour Government happens to be in power in the Commonwealth, that is the time those statements are broadcast, largely to damage the prestige of Labour, and for party purposes. I do not mind men fighting for their party platforms and political views in this country. They are entitled to do it. But when they do it by broadcasting mis-statements overseas they are not only deliberately damaging the party that happens to be in power, but incidentally they are damaging the State and Australia as a whole.

Mr. J. MacCallum Smith: They must be Communists.

Hon. P. COLLIER: No, they are not.

Hon. S. W. Munsie: It would not do to have some of the articles that are published in the "Sunday Times" appear in England.

Hon. P. COLLIER: No, for Australian papers are read in London by people who have financial interests in Australia, and when rash and reckless and, may I say, untruthful, statements appear in the Press here, eventually they get into circulation in England. So I think those responsible for the dissemination of public news ought to have some regard for the effect their writings will have, not only on the political party they are attacking, but upon the country as a whole. And this propaganda overseas of which I complain has not been confined to overseas. There has been a deal of it in Australia. We are told almost day after day in our newspapers and on our public platforms that, having regard for the serious position with which Australia is faced, party politics ought to be dropped and there ought to be co-operation between the Governments and the Oppositions. But I am forced to the conclusion that what is meant by co-operation is that the Labour Party ought to drop all their platform and principles and agree with everything that non-Labour Governments or Oppositions put forward. Is there a spirit of co-operation abroad to-day in Australia on the part of Governments or Oppositions representative of the Nationalist Party? Within my knowledge there has never been a period in our political life when we have had such

concentrated party propaganda carried on both in Parliaments and in the Press against Labour Oppositions or Labour Governments. If we turn to the Commonwealth Parliament, not a week goes by but both in the Senate and in the House of Representatives motions of no-confidence in the Government are being moved. And that condition of affairs is supplemented and reinforced by long statements from Canberra, from Sydney and from Melbourne. At the same time, those who are being attacked are asked to take the broader view, as it were, sink their party politics and co-operate with the other side. It appears to me that co-operation in this instance means "You come around to my side. Join me, adopt my views and my politics, and then you will be acting in a patriotic manner." How can it be expected? There is not a thing the Federal Government have done or attempted to do, nothing that they have suggested but has been abused and condemned in the House and out of it. And I believe this is not altogether because those who are opposing and criticising the Federal Government believe it is essential in the interests of the nation that they should do so. Rather is it because they have an eye on the double dissolution that is coming forward in two or three months' time. It is political propaganda that is going on all the while. I must confess that we in this State are not free from it, either. The Premier himself, whilst he has not indulged in any party politics concerning this State, has never lost an opportunity to criticise the Federal Government. Before he leaves Perth to attend a Loan Council meeting, twice a week there are his statements appearing in the Press criticising the Federal Government, anticipating what their action is going to be and condemning it.

The Premier: Produce them.

Hon. P. COLLIER: They are so well known that I need not bother to produce them. And having fired the last parting shot the day before he leaves here to attend the Loan Council, the Premier is not content to wait until he reaches Melbourne before having another shot. From the Nullarbor Plains or from Forrest or Cook, we have a further half-column of criticism of the Federal Government. And again from Terowie and again from Adelaide and once more when he arrives in Melbourne; and so, too, on his way back to Perth. I would suggest that if we are going to attend these

Loan Council meetings with the hope of securing agreement and co-operation, we are not likely to further that hope by continually criticising some other Government.

The Premier: Do you mean we ought to agree with all their proposals?

Hon. P. COLLIER: No, I do not think that, but I do contend that many of their proposals are not without merit.

The Premier: I said all their proposals.

Hon. P. COLLIER: And we say all their proposals. There has been altogether too much political party propaganda going on, and it is all because a Federal election is in the offing. That is what it is. The Federal Government can do nothing right. It is said, of course, that the financial position of the State is due to the policy of the Federal Government. That is a handy kind of excuse—it applies not only to this Government, but to other Governments in Australia as well—to blame all their troubles and responsibilities on to the Federal Government?

Mr. Kenneally: It does not matter which Federal Government?

Hon. P. COLLIER: Of course, only the present Federal Government are to blame. The financial difficulties of other Governments, their deficits and their unemployed troubles, are all occasioned by the actions of the Federal Government. It is rather an astute move to try to direct the thoughts of the people of this country towards Canberra and say, "It is not my fault. I have had nothing to do with it: I cannot help it. Everything would be well with you were it not for the Federal Government." I do not think that is fair. Even admitting that the Federal Government have many shortcomings, there are responsibilities that belong to the States and to the States alone, and they can be dealt with only by the State Governments.

The Premier: To pay our interest is really our own responsibility.

Hon. P. COLLIER: We are told that the programme is first of all to balance the budget. Well, that will have to be done. To do that we must restore confidence, and the only way confidence can be restored is to remove the Federal Government. That is what we are told. A committee of experts met early in the year and submitted proposals for balancing the budget. A sub-committee of the Loan Council is, I understand, now considering the question and will report to the Loan Council next

week. So far as I can gather the only proposal for balancing budgets submitted by those who are opposing the Federal Labour Government is economy in expenditure. There is no suggestion of increased taxation; reduction of expenditure is the only suggestion. Anyone who has any inside knowledge of the finances knows it is positively absurd to say that budgets can be balanced, even in a three-year period, by a mere policy of reducing expenditure. If we cut out the whole of the expenditure associated with the carrying on of the services of the State, budgets could not then be balanced. How is it proposed to balance budgets? In what direction is economy to be exercised? I take it that every Government has been exercising economy during recent years. Have not the Government already done all that they feel it possible to do? Suppose the sub-committee and the Loan Council put forward proposals for balancing budgets in three years' time by a reduction of expenditure, how are the Government going to give effect to those proposals? Will the State Government not say they have already, during the 12 months they have been in office, exercised economy to the fullest extent possible? Will the Government admit for one moment that there is room for the further reduction of expenditure in this State?

The Premier: Very little, but there is room to save the exchange.

Hon. P. COLLIER: That is another matter; it has nothing to do with the Loan Council.

The Premier: It is an economy.

Hon. P. COLLIER: Yes, exchange is costing all Australia at the rate of £10,000,000 a year, of which this State's share is £600,000, and sustenance for the relief of the unemployed is costing Australia at the rate of £10,000,000 a year, and our portion of it is £500,000 or £600,000. The Loan Council cannot assist there.

The Premier: That is just where they can assist.

Hon. P. COLLIER: Apart from that, surely we may assume that the Government, during their year of office, have effected all the economies that can reasonably be made. If they have not done so, and if there is room for a further reduction of expenditure in this State, the Government have been negligent of their duty. They have not done all they should have done. We have already a deficit exceeding

£1,400,000 for the 10 months of the current financial year, although the published estimates of the £28,000,000 of deficits for all Australia included only £1,000,000 for Western Australia. I hope this estimate will be realised, but on present appearances there is no possibility of our ending the financial year with a deficit of £1,000,000. Last year, when things were much better than they are this year, the deficit at the end of the March quarter was roughly £500,000, and at the end of the financial year it was still £500,000.

The Premier: We have a falling revenue this year.

Hon. P. COLLIER: Having regard to the falling revenue, does the Premier think that the position will be better at the expiration of the June quarter.

The Premier: It certainly ought to be.

Hon. P. COLLIER: How can it be better when there is a falling off in every direction?

The Premier: You know that the interest is credited to revenue at the end of each half-year, although there was very much more last year than there will be this year.

Hon. P. COLLIER: But against that every month reveals a falling revenue in all the principal revenue-earning departments.

The Premier: Of course.

Hon. P. COLLIER: And it is not within the power of the Government at the moment to stay that fall of revenue. The figures published by arrangement with the Loan Council showed deficits totalling £28,000,000 for all Australia. The various Governments supplied their own figures, and I can only hope that the estimate of £1,000,000 for Western Australia at the 30th June will be realised. I cannot see how it will be realised. There may be a reduction of the present deficit of £1,400,000 odd, but we shall never be able to get it down to £1,000,000 by the end of June. What are the Government going to do about it?

The Premier: Try to get some of our money back.

Hon. P. COLLIER: All that the Loan Council can do is to agree upon balancing budgets in a certain period. The question of the steps to be taken to achieve that end is left entirely to the respective Governments. The Loan Council could never agree

that every State should impose certain taxation. The Loan Council can only agree on general principles to endeavour, over a certain period, to balance budgets, but the methods to be employed must be left to the respective Governments. Here we are within two months of the end of the financial year.

The Premier: You are entirely wrong in trying to make the public believe that the Loan Council have nothing to do with it. It is failure to borrow that is costing us £600,000 in exchange.

Hon. P. COLLIER: But that position has to be met.

The Premier: Yes, and a loan raised by the Loan Council would meet it.

Hon. P. COLLIER: But what is the policy of the Government?

The Premier: Get rid of that exchange cost as quickly as possible.

Hon. P. COLLIER: How is that to be done? The control of the exchange rests with the banks.

The Premier: Oh no!

Hon. P. COLLIER: It does. The banks increased the rate of exchange. The Government have nothing to do with the fixing of the exchange rate.

The Minister for Railways: We would not have to pay exchange on money borrowed in London.

Hon. P. COLLIER: Of course not. Although I believe that continual borrowing is not the remedy for our troubles, it is all-important at this time that we should be able to raise a loan in England so that we might meet our commitments there, instead of having to remit the money from Australia at a 30 per cent. exchange rate. If we could raise a loan of £30,000,000, Australia would save the £10,000,000 now being paid in exchange. Apparently we cannot raise it.

The Premier: We cannot raise a farthing.

Hon. P. COLLIER: Of course not, and so we have to face the situation as we find it. What are the proposals of the Government? Never mind Lang, or the Commonwealth Government or their financial difficulties, what are the proposals of the State Government?

The Premier: To get rid of the £600,000 exchange.

Hon. P. COLLIER: But we have to assume that we cannot get rid of it, because

at present there is no prospect of borrowing in London.

The Premier: Our overdraft in London has gone.

Hon. P. COLLIER: Yes.

The Premier: It has been taken from us.

Hon. P. COLLIER: Yes. There is a heavy floating debt in London, about £36,000,000, made up of interest payments and bank overdrafts. We do not appear to have any chance of getting rid of the exchange. Nevertheless, we are faced with the responsibility of doing something to meet the situation as it exists.

The Premier: Well, we certainly cannot impose extra taxation, because we cannot collect the taxation already imposed. We must restore confidence in London and borrow at least a moderate sum to save the exchange.

Hon. P. COLLIER: How are we going to restore confidence in London? By getting rid of the Scullin Government and appointing Mr. Lyons as Prime Minister? London's confidence in us had departed in the days of the Bruce-Page Government. The Scullin Government inherited the position. Yet we are now told that confidence will be restored in London if we appoint a Federal Government composed of the parties who were responsible for London's losing confidence in us.

The Premier: You had better be careful; your statement will be wired Home.

Hon. S. W. Munsie: A good job if it were. It would put London on the right track.

Hon. P. COLLIER: If it were cabled Home, it would correct a lot of the misrepresentation that has already been wired Home.

Mr. Kenneally: You may depend upon it your statement will not be wired Home.

Hon. S. W. Munsie: I bet it will not.

Hon. P. COLLIER: London had lost confidence in Australia, so far as lending money was concerned, in 1929. I attended a Loan Council meeting six months before the Scullin Government took office. The Bruce-Page Government was in office at the time. Cablegrams were read to us from those in London saying that no more money could be borrowed. I am not giving away any confidences when I say we received urgent cables at that Loan Council meeting six months before the present Government came into office, indicating that the princi-

pal bank of many of the States in Australia could not allow any greater overdraft and, in fact, pressing that we should reduce our overdraft. This we were not in a position to do. To-day I read in the paper that the proposal to ship five million sovereigns to London is the first time it has been done in Australia. That is not so. At the Loan Council meeting in 1929 we found that the only way to meet the imperative demand of the bank to reduce our overdraft was by shipping three million sovereigns to London.

The Premier: We shipped five millions a few months ago.

Hon. P. COLLIER: There was no question about the legality of the business, having regard to the amount of gold required to cover the note issue. Our note issue to-day is only 60 per cent. of the gold reserve, and it could be 80 per cent. We could increase our note issue to-day very considerably, and still keep within the statute as regards the gold reserve against us. This is what we had to do at the time I speak of.

The Premier: Other commitments have to be taken into consideration that are well beyond the £46,000,000, as you know.

Hon. W. D. Johnson: The gold had to be shipped at that time.

The Premier: It was available then.

Hon. S. W. Munsie: It is available now. It will yet be necessary to send it, although at present no authority has been given to let it go.

The Premier: Hear this world-wide financier!

Hon. P. COLLIER: Apart from what may be done by the other States and by the Commonwealth Government, I consider that this Parliament and the people are entitled to know what is the policy of this Government to meet the present situation.

The Premier: When I get a chance I will tell you.

Hon. P. COLLIER: We are entitled to know.

The Premier: Yes.

Hon. J. COLLIER: The Government have been in recess for five months. They meet the House with a programme to amend the Workers' Compensation Act. So far as we know that is the only policy they have to meet the present situation. Of what use is it for the Premier to go on

talking about deficits in the Eastern States? He is always reminding the people of the Commonwealth debts and of the Lang debts.

Hon. A. McCallum: And his are the biggest of the lot.

The Premier: I apologise if I have offended you.

Hon. P. COLLIER: There is the £14,000,000 Commonwealth debt and the six or eight million Lang debt, and he says that the other five States have only a debt of £6,000,000. That is not a fair statement of the case. Per head of the population—and that is the criterion—our deficit is as great as any of them.

Hon. A. McCallum: Bigger than any of them.

Hon. P. COLLIER: We have a deficit of £1,400,000 now for a population of 400,000 persons. Surely the Premier, having regard for the fact that he is not able to improve upon the financial position, ought to refrain from indulging in criticism of other Governments because of their alleged financial weakness.

Hon. W. D. Johnson: It is a method of covering up things.

The Premier: I should like to apologise for referring to Mr. Lang.

Hon. P. COLLIER: I am not concerned about Mr. Lang. Never mind what Mr. Lang is doing, or what Mr. Scullin is doing. Never mind about trying to direct people's attention upon Mr. Scullin or Mr. Lang in order that they may forget what is not being done here, and overlook the deficit of our own Government. The job for this Government is to put forward some constructive policy to meet the situation as it exists.

The Premier: You know why it exists as well as I do.

Hon. P. COLLIER: To an extent the same causes exist as when I was in office, but the Premier would not admit it. With him it was always due to the incapacity of the Collier Government.

Mr. Marshall: To their mismanagement!

Hon. P. COLLIER: To their bungling and incapacity. It did not matter whether there was unemployment, or depression in trade, or anything else. The position had nothing to do with the Eastern States or the world-wide depression, but was due entirely to Labour misrule. The Premier

must now stand up to the same position. If the Collier Government were entirely responsible for the position as it existed then, and the Premier would not admit otherwise, his Government are responsible for the position as it exists to-day.

The Premier: Not necessarily. Of course, I know you will not agree with me.

Hon. P. COLLIER: I hope the Premier will not force me to read all the statements he has made. Without qualification or reservation, he declared emphatically and definitely that all the troubles suffered by the State 12 months ago were due to the Labour Government, and that all these would be remedied and overcome almost immediately upon a change of Government. I know he has been faced with difficulties with which I was not faced. I did not have to face the heavy cost of exchange, or the heavy expenditure consequent upon unemployment relief.

The Premier: You borrowed freely.

The Minister for Lands: And you had more revenue, too.

Hon. P. COLLIER: Of course, we had more revenue.

Hon. S. W. Munsie: You are in such a mess you cannot get any revenue.

The Minister for Lands: We are not responsible for the price of primary products.

Hon. P. COLLIER: Ministers are, of course, not responsible for anything, but I was held responsible for everything. When I tried to show that our unemployment troubles were due to the difficulty of getting money, I was informed it had nothing to do with it.

The Minister for Mines: Have you seen an Opposition change yet, for I have not?

Hon. P. COLLIER: We were then well within the midst of a world-wide depression and an Australian-wide depression, but it was never admitted that the conditions of Australia, or the general conditions, had anything to do with the matter, which was really all due to the Labour Government. The present Government must put forward some policy to meet the situation, and must do something to balance the Budget. They have to put forward a policy either to reduce expenditure somewhere or to increase taxation. The position can only be remedied by these two methods. If the Government can raise a loan, and thus place back into work a number of people, the revenue will

automatically increase, and the finances will be helped. The Premier expects a certain amount from the intended loan.

The Premier: Exchange plus the deficit last year will absorb a great amount of that.

Hon. P. COLLIER: If we can get money and employ more of our people, our revenue will be assisted materially, but we cannot build upon it. There must be some direct and definite policy to meet the situation as it is to-day. We cannot sit down and wait until we get the money. Of course it would be a good thing if we could get a loan from London, but it does not appear that we shall be able to do so.

The Premier. Under the Financial Agreement it does not appear that we shall ever get back on the London market.

Hon. P. COLLIER: I do not think that has anything to do with the matter. I have seen a statement from the Premier. Perhaps it was a misprint, or it was made inadvertently, but it was to the effect that our difficulty in obtaining money in London was due to our association with the Loan Council.

The Premier: We never had any trouble until we joined it.

Hon. P. COLLIER: We were never in a crisis such as we are in to-day. The Premier still tries to make people believe that London is closed to us because of our association with the Loan Council. Surely he does not contend that this is so.

The Premier: You have said already we were not able to borrow in London long before the depreciation in prices.

Hon. P. COLLIER: That would have happened whether there was a Loan Council or not.

The Premier: Oh no.

Hon. P. COLLIER: Just fancy! But for the fact that we have joined the Loan Council, the Premier would be able to get money in London, although our stocks are as low as any others. It has been stated in the paper that most of our difficulties are due to the fact that we cannot raise a loan, and that we cannot do so because we have first to get the consent of the Federal Government.

The Premier: They have to do the borrowing.

Hon. P. COLLIER: But the Premier said we are not able to borrow without their consent. The fact is we are not able to borrow without the consent of the Loan Council, which is a very different thing.

The Premier: Of course. I did not say we could not borrow without the consent of the Federal Government.

Hon. P. COLLIER: That is what the Premier said, according to the statement in the Press. Many people believe we have to get the consent and approval of the Federal Government, but that is not so.

The Premier: Of course not.

Hon. P. COLLIER: The question whether we shall borrow or not is a matter for the States to decide by conference at the Loan Council.

The Premier: We have the authority for three or four millions.

Hon. P. COLLIER: I know that.

The Minister for Mines: The Loan Council previously gave you consent to spend certain moneys but have not borrowed it for you yet.

Hon. P. COLLIER: The question of the Commonwealth Government authorising a loan is different from the real arrangement.

The Premier: I did not make the statement.

Hon. P. COLLIER: It was made in the name of the Premier.

The Premier: Then it must have appeared in the "Worker."

Hon. P. COLLIER: It appeared in the "West Australian," a pretty reliable paper so far as the Premier is concerned. What are the prospects? The Loan Council authorised the raising of so many million pounds in February. Because of circumstances which arose afterwards it was deemed inadvisable to attempt to raise that money.

The Premier: The Federal Government decided it was not advisable to do so.

Hon. P. COLLIER: If three months ago it was deemed inadvisable to attempt to raise £6,000,000, has the position changed so favourably as to make it appear probable that we shall be able to raise £12,000,000 now?

The Premier: I am very doubtful whether the amount can be raised.

Hon. P. COLLIER: Twelve millions, free of tax, of course, but at four per cent. I hope the loan will be successful. It is of the utmost importance that the money should be raised, and I shall do all I can to assist towards that end. It is to benefit the wheat growers and those who are out of work; six millions are to be distributed for work for the unemployed and six millions for the relief of wheat growers. Unless the loan is

successfully floated, I do not know how we are going to get on. I hope the loan will be floated. However, I doubt whether at this juncture it is wise to lower the rate of interest. At present, rates of interest are very high indeed. Australian stocks can be bought on the market now to yield 20 per cent.

Mr. Angelo: Fifteen per cent.

Hon. J. C. Willecock: Twenty per cent. according to this morning's paper.

The Premier: It is pretty rough.

Hon. P. COLLIER: Are people likely to put money into a new loan at four per cent. when they can acquire Australian stocks, which will have the same authority as the new loan, to yield 20 per cent.? It is imperative that the Government put forward some policy to balance their own budget. Never mind about the budgets of the Eastern States: what are we going to do to meet our own situation? Do the Government intend to reduce expenditure further? I think the country is entitled to know from the Government whether they feel that they can reduce expenditure or whether it will be necessary to increase taxation. I know that to some extent the question will be decided by the decisions of the Loan Council and the result of the appeal for another loan.

The Premier: I have got to face the position at the Loan Council.

Hon. P. COLLIER: I do not say for a moment that the Premier should not go. I consider it imperative that he should be there. So far as I am concerned, if the House continues to sit while the Premier is away, I will pair with him myself.

The Premier: It is no pleasure to go there.

Hon. P. COLLIER: I am sure it is not. I avoided that long journey whenever I could.

The Attorney General: The policy of the Government must depend largely on what is decided at the Loan Council.

Hon. P. COLLIER: To some extent that is so; but no matter what the decisions of the Loan Council may be, even if those decisions exceed the utmost anticipations of the Government, still it must be patent to the minds of Ministers that other special efforts will have to be made, as a matter of policy, by the Government themselves, either by way of reduced expenditure or by way of increased revenue.

The Attorney General: Or both.

Hon. P. COLLIER: Well, both.

The Premier: The short earnings of the invested money are a very serious matter, the amount of interest to be made up from sources other than the earnings of our railways and other investments.

Hon. P. COLLIER: I hope I am not criticising in a carping spirit, but the position would have to be faced by any Government of the day.

The Premier: It is being faced.

Hon. P. COLLIER: There will have to be some definite policy to meet the position as we find it, not as we would wish it to be, not as it would be if we could get a loan oversea or if the exchange difficulty could be overcome. The position as we find it to-day must be met. How are the States going to finance their deficits? We are told that the source which has financed our deficits up to date is no longer available to us.

The Premier: The Leader of the Opposition knows that every Australian State was compelled, owing to the action of the Federal Government before the present one, to use up all its reserve funds.

Hon. P. COLLIER: That is true. Trust funds and reserve funds which it was possible to borrow in Australia were borrowed immediately after the London market was closed to us, early in 1929.

The Premier: The Governments have used their own funds.

Hon. P. COLLIER: That could not go on indefinitely. Those funds became exhausted. They are no longer available. There is no other source for present Governments to draw upon, no such source as was available for the first six months after the London market closed. I realise the position so far as loan money is concerned.

The Premier: Our overdraft is just about a third of what it used to be.

Hon. P. COLLIER: Unfortunately the money that is being borrowed to-day—I think the Premier mentioned that about £38,000,000 would be borrowed this year—

The Premier: Forty-three millions.

Hon. P. COLLIER: That money will be utilised not to provide work for the unemployed, but to meet our deficits in Australia. To that extent, of course, the money is of no value in creating employment or for other purposes. To show the desperate position of the finances to-day, in 1928-29 the amount of borrowed money that was used to meet the deficits in all Australia was £3,500,000, and this year it is estimated that the amount

will be £28,000,000. Before concluding I wish to refer to the position of the unemployed in Western Australia. I will not be unkind enough to remind the Premier of his promises in that respect—that there would be work for everybody and prosperity for everybody. Circumstances undoubtedly have changed. I have in my room a complete copy of Mr. Lang's policy speech, and copies of the Premier's policy speech and supplementary speeches; and I am quite certain that Mr. Lang drafted his policy speech entirely upon the lines and words used by our Premier.

The Premier: You know jolly well he did not!

Hon. P. COLLIER: There were not many months between them. Our election was in April, and the New South Wales election in October. Somebody sent a copy of our Premier's policy speech to Mr. Lang, who promised all things to all people. It is remarkable how nearly identical those policy speeches are, almost word for word. For example, our Premier said that he would at once build all the railways then authorised by Parliament—I think 370 miles.

The Minister for Railways: Was that why Kenneally expelled Lang?

Mr. Kenneally: We had no authority over the Premier, or we would have expelled him.

Hon. P. COLLIER: Mr. Kenneally did not want to burden the Labour movement with Mr. Lang's promises. Our Premier said he would build all the railways authorised, and incidentally the member for Perth (Mr. H. W. Mann) comes into this. Mr. Lang said there were quite a number of railways in New South Wales which had been under construction but had been closed down by the Bavin Government for want of funds. He declared that he would immediately complete all the railways the construction of which had been suspended. Our Premier, when he was asked where he would get the money, said he would get plenty of money, that lenders had no confidence in the Labour Government.

The Premier: Stick to facts.

Hon. P. COLLIER: Mr. Lang said, "I will get all the money I want."

The Minister for Railways: He is doing so too, because he does not pay what he owes.

Hon. P. COLLIER: Mr. Lang promised work and prosperity for everybody, as did our Premier. I am not contending for a

moment that our Premier is not doing all he can. The hon. gentleman said—

It might be asked where he would get the money. The answer was that the Treasury was receiving sufficient money at present to provide work for everybody in the State.

The Premier: So it was.

Hon. P. COLLIER: In the matter of providing work, the hon. gentleman went on to say, he could do again what he had done before. The Premier knew perfectly well what the financial position of the State was at that time. He made those promises to the electors with a full knowledge of the country's financial condition. By my words in this House and on the public platform I tried to impress the people with the actual position, which was bad in Australia and oversea. Those words of mine were ridiculed. But the Premier knew perfectly well. Here we are with unemployment unfortunately—

The Premier: Twice what it was.

Hon. P. COLLIER: Twice? Ten times. At all events, it is bad enough. As showing how bad it is, the payments for outdoor relief in the March quarter of last year, the last quarter we were in office, amounted to £36,000. The same payments for the March quarter of this year amounted to £169,000.

Mr. H. W. Mann: You were giving only one meal a day. The unemployed are getting two meals a day now.

Hon. P. COLLIER: What an explanation from the hon. member who declared that if the present Government were elected, there would be no need to find the unemployed two meals, no need to find them one meal, as there would be work for all of them! The hon. member said that my Government had "fallen down on its job." He said, "Let the present Government get out, and let some Government get in that can do the work." The fact that the present Government are providing additional meals proves that the difficulty has increased. Does the member for Perth now go to the unemployed and make explanations? I know that the hon. member does what he personally can to assist the unemployed, but does he also make explanations of the promises he gave the unemployed? Does he go to them and explain why the things which he and the Government 12 months ago said would take place have not taken place? I maintain that never was a worse use made of an unemployed difficulty than at the last election. I dislike bringing the

matter up, but the party and the Government who were responsible for it, who broadcasted promises to unfortunate people all over this country with regard to work, must take the responsibility for deceiving those people, for utterly failing to carry out the promises which were made. I recognise that the non-fulfilment of those promises was partly caused by difficulties over which the Government have no control; but the promises were such as the Government knew, or should have known, could not be carried out. The position is getting desperate with the unemployed, and something will have to be done. I know that the possibilities of finding work for them are limited, but something more will have to be done in the way of sustenance.

The Premier: We do far more than other States do.

Hon. P. COLLIER: I have seen the figures of the weekly payments by this State for sustenance, and I know they are considerably in excess of those of any other State in the Commonwealth, nearly double the rate per head paid in some Australian States. I have a list of the amounts. We are doing more in our weekly payments, insufficient as they are, than is done by any other Australian State.

The Minister for Railways: They are Federal citizens as well as State citizens.

Hon. P. COLLIER: Of course, but it has never been regarded as an obligation of the Federal Government to provide sustenance for the unemployed. During the past year or two, the Federal Government have made grants of considerable sums of money to the State Governments for the purpose of providing work for the unemployed.

The Premier: We got £62,000.

Hon. A. McCallum: You had over £200,000.

The Premier: No.

Hon. A. McCallum: You got £190,000. You had over £200,000, because there was the special road grant.

The Premier: That was in your time.

Hon. A. McCallum: You got it.

Hon. P. COLLIER: I think there was a payment of £100,000 or so a few days after we left office.

The Premier: There was no £100,000 granted us.

Hon. P. COLLIER: I believe the grant was made while we were in office, but the money did not come to hand until after our defeat.

Hon. A. McCallum: At any rate, there was a special grant of over £200,000.

The Premier: You had spent the blessed stuff.

Hon. P. COLLIER: The drain upon revenue at present is very great. It has to be remembered that until recently unemployment was of a more or less spasmodic nature. People would be in work for some time and then out of work for a while, and they were able to maintain themselves during the shorter periods they were unemployed. But the position has now become so bad that large numbers of our men have been out of work for six months or even 12 months.

The Premier: Some of them for five years.

Hon. P. COLLIER: Men who have been out of work for such long periods have not merely exhausted all their financial resources, but have worn out the clothing they possessed. It is not so bad to be out of work for two or three months, but when a man has been out of work for six months or a year, it means that household effects must disappear and clothing must get worn out. Not only are such people on the verge of starvation, but they are actually not in a position to be able to clothe themselves and their children decently. That is a most serious state of affairs. I need not remind hon. members that the reading of history shows that social upheavals that have occurred throughout the world have been due to conditions approximating those apparent in Australia to-day. Because of sheer desperation, of want of proper food, clothing and nourishment, men, even those moderately minded, even the most conservative, will become revolutionary, or tend in that direction. Such a condition will make anyone feel that way. In whatever way money can be found, I feel that we shall have to do something this winter. From now on, we shall have to provide more comforts apart altogether from food. We must provide something by way of clothing to replenish the worn-out and exhausted stocks of the unfortunate men and women who are out of work. It is appalling and a positive tragedy to think that there are 300,000 men out of work in Australia. Of that total, I suppose not less than 30,000 are out of work in this State. That is quite apart from the women and children. Numbers of the latter are leaving school every year with

no hope and no prospects ahead of them. Apart from those who are actually in receipt of sustenance, there is scarcely a home in the metropolitan area or, for that matter, throughout the State, in which, even though the bread-winner may be in employment, there is not some unemployed member of the family being maintained.

Mr. Withers: That applies in the country.

Hon. P. COLLIER: Thus the position is aggravated to that extent. I believe the Minister in charge of unemployment is doing his best in the circumstances. He is willing to accept reasonable suggestions made to him. At the same time, from now on something must be done to provide more clothing and other requisites of the home than in the past, because of the fact that men and women have been for so long out of work. In conclusion, I want to point out that, taking the whole situation as we see it, the national policy in Australia seems to be that this position, generally speaking, can be dealt with only along certain lines. I do not forget the speech of the Chief Secretary which was an oasis of impartiality in the desert of national politics.

The Premier: That was a desperate effort!

Hon. P. COLLIER: There seems to be a fixed idea that the only remedy for the present position in Australia is that the wages of the workers must be cut down and their working hours increased. Social benefits must be taken away; we must reduce old-age and invalid pensions; reduce considerably the number, if not the amount of soldiers' pensions; reduce or abolish the maternity bonus. All these social services are solidly and consistently attacked along those lines by Nationalist politicians and the Nationalist Press from one end of Australia to the other. They say we must curtail the social services to the people. They say that if wages are reduced, the workers will be just as well off as they were 20 years ago under the Harvester judgment, having regard to the reduced cost of living. Of course, they will not be. Even if it were so, that suggestion promulgates a thesis that whatever the conditions of the workers may have been 20 years ago, they should be content with similar conditions to-day.

Mr. Kenneally: And never rise above them.

Hon. P. COLLIER: Whatever may have been the conditions enjoyed by the last generation or the generation before that, what

ever may have applied during the last century or the century before that, it is suggested that the workers should be content if their positions were similar. That means to say that the world must stand still so far as the workers are concerned. The march of science, inventive genius and the development of machinery must afford no benefit to the workers.

The Premier: Why do you say that?

Hon. P. COLLIER: That is the prevalent idea. Why is it that all these attacks that have been made in the Federal sphere, resolve themselves into a consistent demand for the reduction of wages and of the services rendered to the workers? Is there any attack made upon interest? It is suggested that when wages are reduced and economies are effected by way of retrenchment, the abolition of social services and so on, and when budgets are thus likely to be balanced, interest will automatically come down.

The Premier: It will not automatically come down.

Hon. P. COLLIER: Of course. Why this absolute fraud and deception practised on the public regarding the profits earned by companies? Considering the manner in which stocks are being watered, no one knows to-day what dividends are paid on original investments. To-day we read that a company has paid a dividend of 7 per cent., and it is suggested that no one could complain at such a dividend. It has to be remembered, however, that stock has been watered over and over again, and the chances are that a dividend of 7 per cent. really amounts to one of 40 per cent. on the amount originally subscribed. All the profits of industries must go to the owners of those industries. The employers must gain the benefit. Workers are to be forced back to the standard of 20 years ago. Already there has been a 10 per cent. cut in wages authorised by the Federal Arbitration Court, and that represents £42,000,000 less to the workers of Australia this year. We are told that sacrifices must be made, and so there will be £42,000,000 less in wages alone for distribution in the homes of the workers who carry on the industries of Australia, merely because of that cut authorised by the court.

The Premier: I think £400,000,000 is paid away in wages.

Hon. A. McCallum: The figures quoted are from the Commonwealth Statistician.

Hon. P. COLLIER: That is so. What I have indicated has already been done. The workers in this State have had to make their sacrifice through increased hours authorised by the Arbitration Court.

Hon. A. McCallum: That represents a loss of £1,100,000 to the workers of the State.

Hon. P. COLLIER: There will be that amount less distributed among the workers during the 12 months. What about those who are drawing interest on securities and on fixed deposits?

Hon. W. D. Johnson: Are they not enjoying the reduced cost of living too?

The Minister for Works: That reduction was authorised by the Arbitration Court.

Hon. P. COLLIER: It does not alter the fact that there will be £1,100,000 less available for distribution among the workers.

The Minister for Works: The reduction was granted because of the reduced cost of living.

Hon. P. COLLIER: And does not the reduced cost of living improve the position of the man who is drawing interest?

The Minister for Works: Yes.

Hon. P. COLLIER: It increases the value of his security. What step has been taken by the Nationalist Party of Australia regarding interest? What policy has that party enunciated? What propaganda have its members indulged in? What proposals have they advanced regarding the burden of interest? The great burden upon industry in Australia to-day is interest. Were we to free the farmers from their heavy overhead charges and reduce their interest bill to 3 or 4 per cent., half of them would never again go to the Government and ask for assistance, as they are forced to do to-day. Overhead charges and interest payments are breaking the farmers and ruining the industry.

The Premier: We should not agree to pay if we do not intend to pay.

Hon. P. COLLIER: I am not talking about repudiation.

Hon. A. McCallum: Here is Lang again!

Hon. P. COLLIER: There is a section of the community that controls interest charges. The banks fix their interest charges. Why do they not voluntarily reduce those interest charges, not in respect of past obligations but of future transactions?

The Premier: I thought you were referring to reduction of interest on Government bonds.

Hon. P. COLLIER: I am not talking about any forced reduction, applying to past transactions. Why do not those who are endeavouring to secure a reduction in the wages paid to and services rendered to the workers, come forward with clean hands and say voluntarily, "We will accept a lower interest for our investments."

Hon. W. D. Johnson: Why do they not give away the £42,000,000 gained from the workers?

The Minister for Works: Why do not the Commonwealth Government reduce the interest on savings bank deposits?

Hon. P. COLLIER: That has been done already in two States. First in Victoria and now in South Australia.

The Minister for Lands: The Commonwealth Government raised the interest rates to get the money into the Commonwealth Savings Bank.

Hon. P. COLLIER: The previous Federal Government, not the Labour Government, were responsible for forcing up the interest rates on 'savings bank deposits. In this State we were forced to increase our interest payments because the Commonwealth authorities raised theirs.

The Minister for Works: And the effect of that was to increase the interest paid by the Associated Banks.

Hon. P. COLLIER: Of course.

Hon. A. McCallum: The bank board control the savings banks.

The Premier: Yes, the Commonwealth Bank, but not the South Australian bank or our bank, for instance.

Hon. P. COLLIER: At any rate, it was the Commonwealth that forced up interest charges and that affected the Associated Banks as well. It is a deplorable condition of things we have got into, and there will have to be an awakening of conscience. I think a good deal of this propaganda that is abroad to-day, trying to fasten nearly the whole of the burden on one section of the community, will force retaliation in such a manner that those responsible for it will be sorry before we are through this crisis.

The PREMIER: Of course I cannot hope to reply to the remarks of the Leader of the Opposition to-night, and I shall not be here for a week or two, so I suggest that if somebody were to move the adjournment of the

debate it might be opened up again when I return.

Hon. P. Collier: But we can go on with the discussion in the meantime.

The PREMIER: Oh yes. I suggest that somebody move the adjournment of the debate.

The CHIEF SECRETARY: I move—

That the debate be adjourned.

Motion put and passed.

House adjourned at 9.2 p.m.

Legislative Council,

Tuesday, 19th May, 1931.

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

MOTION—CONDOLENCE.

Letter in Reply.

The DEPUTY PRESIDENT: I have received the following reply from Lady McMillan and family in response to the motion of condolence that I forwarded on behalf of this House: "Lady McMillan and family wish to thank you for your kind expression of sympathy in their great loss."

QUESTIONS (2)—STATE FINANCE.

Emergency Legislation.

Hon. G. W. MILES asked the Minister for Country Water Supplies: In view of the increase of unemployment and the continued drift in the State's finances 1, Will the Government immediately reduce the