Queensland

Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 4 OCTOBER 1923

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The SPEAKER (Hon. W. Bertram, *Maree*) took the chair at 3.30 p.m.

QUESTIONS.

COST OF WELL-SINKING, INKERMAN IRRIGATION SCHEME.

Mr. SWAYNE (*Mirani*) asked the Secretary for Public Lands—

"1. Has any record been kept of the cost of the well-sinking on the Inkerman irrigation scheme?

"2. If so, what has been the average cost per well?"

The SECRETARY FOR PUBLIC LANDS (Hon. W. McCormack, *Cairns*) replied—

"1. Well-sinking and fitting linings—£69,650 8s. 9d.

"2. £535 15s. 4d."

INCREASE OF INCOME TAX EXEMPTIONS AND DEDUCTIONS.

Mr. EDWARDS (*Yanango*), in the absence of Mr. Clayton (*Wide Bay*), asked the Premier—

"1. Did his policy speech, delivered at Cairns in April last, contain the following:—

> The earliest opportunity will be accepted to increase the income tax exemption to £300, and to increase the deduction allowed for children and dependent relatives to £50?

"2. Is it his intention to introduce legislation to give effect to this promise during the present session of Parliament?"

The PREMIER (Hon. E. G. Theodore, *Chillagoe*) replied—

"1. Yes.

"2. An amendment to the Income Tax Act will be introduced during the session. It will provide for increased exemptions and deductions as foreshadowed in the Financial Statement."

REPORT OF INSURANCE COMMISSIONER.

Mr. ELPHINSTONE (*Oxley*) asked the Treasurer—

"When will the report of the Insurance Commissioner be available for presentation to Parliament?"

The TREASURER (Hon. E. G. Theodore, *Chillagoe*) replied—

"Early next week."

PAPER.

The following paper was laid on the table:—

Copy of a telegram received from the Hon. Crawford Vaughan, managing director of the British-Australian Cotton Association.

PRIMARY PRODUCERS' CO-OPERATIVE ASSOCIATIONS BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR AGRICULTURE (Hon. W. N. Gillies, *Eacham*): I beg to move—

> "That it is desirable that a Bill be introduced to provide for the formation, registration, and management of Primary Producers' Co-operative Associations, and for other purposes incidental thereto."

This Bill is mentioned in the Governor's Speech, and we are carrying out the promise of the Government to introduce co-operative legislation. There is really no legislation on our statute-book to encourage and assist the formation of co-operative companies to deal with primary products. We certainly have Acts on the statute-book which provide for joint stock companies, etc. This Bill will meet a long-felt want. It will make it possible for any seven primary producers to come together and from an association or co-operative company. The Bill provides for three distinct types of association—

(1) Associations having a capital divided into shares and with limited liability, which kind of associations or companies are very common in Queensland.

(2) Associations without any share capital and with a liability limited to the assets of the association. I do not think that any such companies exist in Queensland at the present time. This system of association originated in Denmark, but such associations are to be found in California; they deal particularly with the marketing of products. Such associations are necessary and will be a great success, because it is not necessary always to raise share capital to carry out the marketing of a crop. That can be done on the security of the goods themselves.

(3) Associations without any share capital and with unlimited liability. These may not be necessary, but it is just as well to provide for their formation.

For some time I have been aware that such legislation was needed, but in an interview I had with Mr. Stirling Taylor some two years ago he called my attention to the South African Act passed in 1920. I immediately cabled to South Africa and had a copy of their Bill sent over and subsequently got a copy of the Act. At that time it was stated by authorities that the South African Act was probably the best of its kind in the British Empire. Mr. Macgregor, the Director of the Council of Agriculture, who has given me great assistance in connection with this Bill, in a memorandum I received from him a few days ago, after the Bill was finally drafted and passed by the Cabinet, said he honestly believed this Bill is better in many respects than the South African Act, and in his opinion will be a model for other States and other countries to follow.

I do not propose at this stage to deal with the principles of the Bill, but content myself with saying that the object of the Bill is to make it possible, simple, and easy for groups of farmers to form associations as I have just stated. The objects to which this Bill can be applied are almost unlimited, including some which are not to be found in the South African Act. I think everything the farmers desire to do, either in co-operative production,

co-operative manufacturing, co-operative selling, or co-operative buying—those are the four principal things the farmers are concerned about—are provided for in the Bill. When this Bill becomes law the farmers will be at liberty to form associations to carry out those functions.

Mr. CORSER: Does it provide for financial assistance?

The SECRETARY FOR AGRICULTURE: The next Bill, which will be introduced in a few minutes, will provide for financial assistance. The two must be taken together, and that is recognised in the drafting of the Bills. With these two Bills and with the Acts on the statute-book now, I feel justified in saying that the farming policy of the Queensland Government will be in advance of the farming policy of any other State in Australia.

Mr. TAYLOR: Will it affect existing co-operative companies in any way?

The SECRETARY FOR AGRICULTURE: It will to some extent affect companies that are masquerading under the name of co-operative companies but which are not purely co-operative companies. We seek to bring them into line, either making them discontinue the use of the word "co-operative" or accepting the well-defined principles of co-operation which are laid down in the Bill. I think that is only reasonable. If a company wishes to call itself a co-operative company dealing with primary produce, it should conform to the principles which are laid down in this Bill. If it does not wish to do so, it should and will have to discontinue using the word "co-operative."

Mr. TAYLOR: Do you mean by that that "dry" shareholders will not be allowed?

The SECRETARY FOR AGRICULTURE: The Bill itself provides that after the passing of the Bill existing companies using the word "co-operative" must either discontinue using that word or must comply with the provisions laid down in the Bill. Briefly, the Bill provides that two-thirds at least of the shareholders shall be suppliers, and two-thirds at least of the voting power shall be vested in suppliers; that is to say, the co-operative companies will be controlled by the suppliers of the company. The "dry" shareholders will at no time have power to dominate the policy of the company.

Mr. TAYLOR: They are not being wiped out altogether?

The SECRETARY FOR AGRICULTURE: They are not being wiped out, but they will have to come into line with the provisions of the Act.

There is another provision in the Bill which I think will meet the views of members on both sides who have made a study of the co-operative movement. Anyone who knows anything about co-operation knows that co-operative companies should not exist merely to pay dividends. In fact, a properly worked co-operative company should have no profits at all—all the profits should go to the shareholders, whether it be a buying, selling, or manufacturing company. I do not mean that it should not set apart reasonable reserves, but the whole of the profits should go out in the cream can, or, as the case may be, to the suppliers of the raw product, and not be applied in share dividends. We have laid it down that companies getting financial assistance and the privileges of this legislation will not be allowed to pay more than 5 per cent. dividends to their shareholders. At this juncture there is no occasion to go into a lengthy discussion of the Bill; in fact, I think it would be waste of time before the Bill is printed. My desire is that hon. members should have the opportunity at the week-end to take the Bill home and go through it carefully, and therefore there is no occasion for me to go through the Bill and explain it clause by clause. I will give a full explanation on the second reading. I have very much pleasure in moving the resolution.

Mr. CORSER (*Burnett*): For many years members on this side of the House, especially the country section, have advocated the principles which the Minister claims are included in this Bill he proposes to introduce. Of course, it is useless for us to endeavour to guess at the exact principles or the exact operation of those principles until we see the Bill. The Minister has assured us that the Bill is all that we have asked for, and his statements indicate a Bill along the lines which the Country party desire. Apparently the Bill will give effect to sentiments which have been expressed by members on this side of the House in advocacy of a motion which I moved this session, and which still stands on the business-paper to-day, to the following effect:—

> "That in order to assure to primary producers the possibility of controlling the marketing of their produce, legislative provision be made and loan moneys be made available for the establishment of co-operative produce agencies, to be controlled by the primary producers themselves through a properly constituted directorate elected by subscribing shareholders."

The idea at the back of the latter part of that motion is that such agencies shall be controlled by primary producers and not by "dry" shareholders, and this Government members have admitted. We have advocated that principle, and I think the late Government introduced an amendment in the Act providing for advances to co-operative associations to the effect that "dry" shareholders should not receive more than 4 per cent. on the money they might put into a co-operative factory or other concern. Generally speaking, the people who have put money into co-operative or cheese factories have done so merely to assist the industry, and have not looked for any return; indeed, I think the Minister and hon. members generally admit that there has been in Queensland no instance where such persons have looked for a return other than the development of the industry, and generally those people who make the loudest statements about "dry" shareholding, for political purposes, have put no money into such concerns themselves, never intend to, do not understand the co-operative movement, and are people who try to hoodwink the farmers into thinking that our dairy factory co-operative societies to-day are really a misnomer, whereas they have a greater proportion of supplying shareholders than this Bill provides for, and are handled practically entirely by supplying shareholders, so that the "dry" shareholder is practically an unknown quantity in Queensland and its co-operative factories. Therefore, in that respect the Bill cannot bring about any alteration in the position which

exists to-day, but it is wise to provide for a minimum proportion of two-thirds of supplying shareholders, because we are getting past the manufacturing stages, and I understand the Bill proposes to assist other classes of business as well. I shall be most happy to see the Bill, and I think we should reserve our criticisms until it is brought forward, although I feel sure that if my motion for co-operative marketing had been carried, all that is desired by the producers would have been accomplished as far as marketing is concerned.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The SECRETARY FOR AGRICULTURE (Hon. W. N. Gillies, *Eacham*) presented the Bill, and moved—

"That the Bill be now read a first time."

Question put and passed.

The second reading of the Bill was made an Order of the Day for Tuesday next.

AGRICULTURAL BANK BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR AGRICULTURE (Hon. W. N. Gillies, *Eacham*): I beg to move—

"That it is desirable that a Bill be introduced to make provision for State advances to co-operative companies and associations and to farmers and others, and for other consequential purposes."

The Bill is really a consolidation of the State Advances Act of 1916 (so far as it relates to advances to settlers) and the Co-operative Agricultural Production and Advances to Farmers Acts, 1914 to 1919. The Bill will be administered by the Department of Agriculture, and will deal with advances to farmers and co-operative companies and with the liberalising of the present conditions. The two Acts I have mentioned are being consolidated and considerably liberalised in many ways. It is not proposed to repeal the existing legislation, because that legislation is necessary in connection with existing loans and in connection with workers' dwellings and the Discharged Soldiers' Settlement Acts. The Advances to Settlers' Department has already been transferred to the Department of Agriculture. It is proposed to liberalise the advances in many ways, in order to assist in carrying out the provisions of the Bill dealing with co-operative associations, which the Committee has just agreed should be introduced. The two Bills have been drafted together and are necessarily part and parcel of one scheme. I think the objects for which loans can be granted to individual farmers and co-operative companies are such as to meet all the requirements of the farming community. The total amount that may be obtained by any individual farmer has been increased from £1,200 to £1,700. In connection with general loans on security, the advance has been increased from 15s. to 16s. in the £1. Where a company or shareholders are not in a position to find one-third of the capital to start new co-operative works the Agricultural Bank will be able to advance the money under certain conditions. That will only be done in cases where no factory exists to manufacture the particular article required, where the shareholders are unable to find one-third of the capital, and where success is assured.

There are many new objects in the Bill for which loans may be advanced. For almost every purpose that a farmer may require money he can get an advance under this Bill, provided the security is satisfactory. The maximum advance on the full value of improvements is being increased from £300 to £500. Provision is also made for advances on new machinery, fodder conservation, and storage of fodder up to £150. At the present time advances are made up to £80 for the purpose of building a house on the farm, but this Bill liberalises that and makes it possible for an advance up to a maximum of £500 for that purpose.

Mr. TAYLOR: Did you say improvements will be advanced against up to £500?

The SECRETARY FOR AGRICULTURE: Advances will be made for general improvements which are specified up to £500.

Mr. TAYLOR: That is £1 for £1?

The SECRETARY FOR AGRICULTURE: It is generally referred to as £1 for £1, but that is a misleading term. The term "£1 for £1" suggests that the farmer has to find £1 and the bank £1. I use the term "full value"—that means that the bank can advance £500 for £500 worth of permanent improvements.

Those are the main features of the Bill. The Bill is a very simple one, and, in my opinion, brings our legislation up to date. It liberalises and makes it such a measure that I am satisfied that the farmers of Queensland will benefit largely under it. It will enable companies to be formed under the Bill just approved of and carried on co-operatively in the interests of the farmer.

Mr. EDWARDS: Is it proposed to make advances for finding water?

The SECRETARY FOR AGRICULTURE: Under certain conditions the farmer will be able to get a loan for a water supply, but another Bill is being introduced for that purpose, so that loans for the purpose of supplying water are not a special feature of the Bill, although we have not taken away the right to advance money to a farmer who finds it necessary to sink a well or to install a windmill or a pump. He will still be able to get money for that purpose.

Mr. LOGAN: Are the loans to be for a term of twenty years?

The SECRETARY FOR AGRICULTURE: Twenty-five years is the limit, but loans are arranged according to the nature of the security. For instance, the loan for the purchase of pigs is for a period of three years, for cows seven years, and so on as set out in the schedule. The maximum period of any loan is twenty-five years.

Mr. CORSER (*Burnett*): I have been looking for this Bill for some time. It was mentioned some two years ago, and the idea then was that there was to be a rural bank. We understand that the Minister is amalgamating the Co-operative Agricultural Production and Advances to Farmers Act, the

State Advances Act of 1916, the Discharged Soldiers' Settlement Act, and the Workers' Dwellings Act.

The SECRETARY FOR AGRICULTURE: No, the Soldiers' Settlement Act and the Workers' Dwellings Act are left separate.

Mr CORSER: This Bill, which has not yet been printed, I understand reverts again to the title "Agricultural Bank." This institution was started under the title of "Agricultural Bank."

The SECRETARY FOR AGRICULTURE: Quite so.

Mr. CORSER: Unfortunately when we lost the funds of the Savings Bank we called it the State Advances Corporation. Now we are to have a bank, but we will not have the funds.

The SECRETARY FOR AGRICULTURE: We will.

Mr. CORSER: I did not hear the Minister state that an appropriation will be made to the management of this bank.

The SECRETARY FOR AGRICULTURE: An appropriation will be made every year.

Mr. CORSER: Up to the present time the funds disbursed by the State Advances Corporation have been those received by way of payments of interest and redemption from the borrowers. The Co-operative Agricultural Production and Advances to Farmers Act has had a distinct advance made to it by the Crown. The idea of amalgamating these Acts is a good one. Whilst the Bill proposes to increase the maximum advance to each individual from £1,200 to £1,700, I challenge not the Minister but his department to prove that any number of farmers have received the maximum advance of £1,200.

The report of the State Advances Corporation shows that the year before last £198 per applicant was all that was received.

The SECRETARY FOR AGRICULTURE: Not many of them had security.

[4 p.m.]

Mr. CORSER: We should make provision for those who have not security and for those who are down. (Hear, hear!) If we are not going to do that, there is not much good in increasing the maximum amount.

Mr. COLLINS: You are finding fault because we are trying to do something for the man on the land.

Mr. CORSER: I am not, but this is the place where one should express opinions on the operation of the Acts of the past. We have a £1,200 grant under the existing Act, and after all the criticism that has been made——

Hon J. G. APPEL: The hon. member desires to stimulate more generous treatment for the man on the land—the man who is down.

Mr. CORSER: After all the criticism I have advanced, we find that the average amount distributed has only been slightly increased. We have not reached the limit of £1,200, yet the Minister proposes to increase the limit to £1,700 for each applicant.

The SECRETARY FOR AGRICULTURE: That is the maximum.

Mr. CORSER: Yes, that is the maximum. I quite believe that the cost of implements and other things has gone up in a greater proportion to the increase. I want to cut out those regulations which are contrary to the spirit of the Act, and I want to make it possible for settlers to get advances. I know settlers in my district who want advances, who have battled a long time, and who cannot get £50. What is the use of increasing the maximum to £1,700 if these men cannot get £50?

The SECRETARY FOR AGRICULTURE: They have no security.

Mr. CORSER: Then what is the use of increasing the maximum? The Minister has shown that the increase was from £300 to £500, £1 for £1. That means that the Bank will allow them to have 20s. for 20s. worth of improvements on the farm.

Mr. POLLOCK: In other words, you want to "kid" us to do something that you would not do yourself.

Mr. CORSER: Hon. members opposite claimed that they were going to do this, and we all voted for the advance. We desire to see the Agricultural Bank Act interpreted more liberally. Both sides of the House might have been genuine in claiming that any settler could secure 20s. advance for every 20s. worth of improvements that he has on his farm up to £300 as passed by Parliament. This idea got the name of "£1 for £1." The Minister is now going to call it something else, and he says that the total advance will be increased from £300 to £500. That is quite liberal, but, if a man cannot get £50 when he desires it, there is something wrong. It is the regulations that are contrary to the spirit of the Act and the spirit of Parliament.

The SECRETARY FOR AGRICULTURE: What regulations do you refer to?

Mr. CORSER: The regulations governing advances for unspecified purposes and other particulars. When Mr. Hunter was in the House he battled very strenuously, and £400 was allotted for unspecified purposes. It was distinctly stated that a man could pay off any debts that might have accrued during droughts or other adverse circumstances. The management demands that the settler shall specify what he wants the money for.

The SECRETARY FOR AGRICULTURE: They do not.

Mr. CORSER: They do. I can show the Minister letters from the Agricultural Bank demanding that the settler who asks for an advance for unspecified purposes must specify what the advance is wanted for. The regulations governing the advances under the £1 for £1 idea are contrary to the spirit of the Act. If the Minister would give his personal attention to the operation of this institution and see that even the old Act was carried out as Parliament intended, he would be bestowing a greater blessing upon the settlers than by increasing the maximum advance and not attending to the essential details that are hampering settlers to-day.

I understand that the Minister is making provision in this Bill for an advance for pigs to be paid for in three years and an advance on stock to be paid for in seven years. That is the provision of the Co-operative Agricultural Production and Advances to Farmers Act. The State Advances Act, on the other hand, provides that

a settler may secure advances and repay money borrowed for such stock over a period of twenty-five years.

The SECRETARY FOR AGRICULTURE: A very unsound policy.

Mr. CORSER: The Minister says that it is a very unsound policy, and he is therefore going to cut out some of the helpful provisions of the State Advances Act which previously provided twenty-five years. The Co-operative Agricultural Production and Advances to Farmers Act is a very good Act and has done a lot of good, and is one over which the Government have not lost any money. This Bill, however, is going to be administered by the State Advances Corporation, whose regulations have militated against the interests of the settlers in many cases.

Mr. PETERSON (*Normanby*): I should like to ask the Minister if there is any provision in this Bill, which on the whole seems acceptable to the House, to give more assistance to settlers, particularly dairymen, to clear a certain area of pear off their land? At the present moment a poor settler has the utmost difficulty in obtaining funds from the Agricultural Bank. Although the Lands Department is supposed to make good any loss to the Advances to Settlers Branch, every obstacle is placed in the way of the settler getting a loan. I am bringing this point up for this reason: that those settlers who have scattered pear on their areas have not been given sufficient assistance to bring about a success of their farming pursuits and to eradicate the pear. If this assistance is not forthcoming, I am afraid that a lot of the good of this Bill will be lost, and I sincerely trust that the Minister in his wisdom will make provision for more lenient treatment under this head. I admit that in some cases he has to be somewhat harsh, but in the majority of cases farmers are fairminded and honest.

I notice that the Minister dealt very lengthily on the fact that the Government intended to increase the advance to £1,700. As the hon. member for Burnett has already pointed out, the difficulty is not that the Bank does not advance sufficient as a maximum amount but that the settler cannot get anything near what he applies for. Settlers in my electorate would be perfectly satisfied if the present Act was interpreted more liberally. The Minister in charge of the Bill says that farmers have not got the necessary security. It is a very poor advertisement for Queensland, and shows that the majority of our farmers are in an extremely invidious position if, as is shown by the last report, they are only able to obtain an average of £193 as an advance. I hope there will not be so much stress laid upon the maximum of £1,700, but that some impetus will be given to the Advances to Settlers Branch urging them to be a little more lenient in their advances. The present maximum of £1,200 is rarely advanced. I see little use in increasing the maximum, as I understand that the department has given instructions sub rosa that the valuations were to be cut down. What is the use of that maximum increase when you are going to reduce the valuations?

The SECRETARY FOR AGRICULTURE: Have you any proof that instructions were issued sub rosa to reduce valuations?

Mr. PETERSON: From an intimate acquaintance with the Agricultural Bank, particularly during the past eight years, I can say—and I speak with a knowledge second to no man in this Chamber—that, when the amending Act came into force, the valuations were all reduced; inspectors were sent round to revalue the blocks, and those inspectors would not have gone out unless they had been instructed. However, that is a thing of the past. Let us not complain about the past. When the Minister says that certain specific benefits are to be given, then in heaven's name let the selectors get that benefit. Do not pass an Act of Parliament merely to go round the country at election time and say, "We have done this, or we have done that."

As the hon. member for Burnett has pointed out over and over again, the regulations cause all the trouble. The hon. member for Burnett has contended again and again that it is the spirit of the Act that should be carried out and not what is put in afterwards by regulation. I hope the suggestions of the hon. member for Burnett will be given effect to, and that the Minister will make this Bill one of the best Bills ever brought before any legislature in Australia. I do not care which side brings it in, I shall do my very utmost to assist the Government in any measure that will make for better conditions for the primary producers of Queensland.

Mr. EDWARDS (*Nanango*): I wish to congratulate the Secretary for Agriculture on introducing this measure. Every member on this side of the House, and on the Government side also, agrees that something is required in the way of financial assistance to encourage production in Queensland. Greater assistance is necessary than has been given in the past, and I was pleased to hear the Minister say that greater leniency is going to be shown in connection with this measure than has been shown in the past. As stated by the hon. member for Burnett, the red tape attaching to the State Advances Corporation in connection with loans to settlers has often crippled the producer, and he has often been practically driven off the land before he was able to obtain the assistance required. I have known applications for loans to be sent in and it has been months before an inspection of the property was made. Anyone who knows the struggles of the early settler must realise that, when a loan is required, the money is required immediately, and I would ask the Minister to see that the Act is carried out in the spirit in which it is passed. It is one thing to pass a measure through this House, but it is quite another thing to provide the money, which is the biggest thing of all. Then the question to the settler is whether he can obtain that money under conditions suitable to himself, and whether he can obtain it at the time he requires it. In many instances a delay of three or four months, particularly in drought conditions, will so cripple a man in the early stages of his struggle that it will be impossible for him ever to get on his feet again. Therefore, I hope the Government are sincere in their promise to make a large amount of money available to the producers of this State to enable them to get assistance to develop the land as it should have been developed years ago in Queensland.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The SECRETARY FOR AGRICULTURE (Hon. W. N. Gillies, *Eacham*) presented the Bill, and moved—

"That the Bill be now read a first time."

Question put and passed.

The second reading was made an Order of the Day for Tuesday next.

MILSOM PETROLEUM AGREEMENT RATIFICATION BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

"That it is desirable that a Bill be introduced to ratify an agreement between the Secretary for Mines and Duncan Charles Milsom relating to the grant of certain licenses to prospect for petroleum."

This agreement was made between Mr. Duncan Milsom, representing others who have taken up a prospecting license for oil, and myself on behalf of the Government, and was made at a time when there was no opportunity to amend the existing Act. Mr. Milsom and his party desire to prospect certain areas in Queensland in the Orallo district for petroleum, and they are now known as the Lander Oil Company. They did not wish to commence operations under the provisions of the present Act, for the reason that the area of lease under the Act was too small if they were successful in discovering oil. Under this agreement we allow Milsom and party to take up six licenses, comprising 12,000 acres. They could take up that area under the present Act, because under the Act the area of a license is limited to 2,000 acres, but it is possible to take out six licenses for contiguous areas; but they contend, and I think rightly so, that the area allowed when oil is discovered is too small. If they discovered oil, they would be confined to six 60-acre leases. The most they could get would be four contiguous blocks of 60 acres each and two blocks that would not be contiguous. They contend that the area of the lease would not be sufficient to cover the geological structure, and we therefore entered into this agreement with the party. Under the agreement we do not permit them to issue a prospectus to the public, and no shares are saleable, until the first oil well has been sunk. I desire to say on their behalf that they have fulfilled the conditions of the agreement in every respect. The agreement was made less than twelve months ago, and they have purchased the plant that was necessary. Any machinery that could be manufactured in Australia was purchased from Walkers Limited and the balance in America.

They are now ready to begin boring operations. They have fulfilled their contract, and we desire that the agreement should be ratified. It is their intention to apply to come under the new Bill which I am going to introduce to-day, and which I have no doubt will meet with the approval of every hon. member. The area will be much larger under the new Bill than that which we have granted under the agreement to Milsom and party, which I think is a good thing. I think we all agree, as I said in 1920 when I introduced the Bill in the Legislative Council, that the area of lease is too small. We were not very well up in the oil business in Queensland then. I think the area under the existing Act is too small, and we are perfectly justified in entering into an agreement with these people, who desire to spend their money in this State and bona fide prospect and make an attempt to discover oil which will be so valuable to the State.

Mr. VOWLES: Is the agreement attached to the Bill?

The SECRETARY FOR MINES: The agreement is attached to the Bill, which is a very small measure of one clause ratifying the agreement. I have much pleasure in moving the resolution.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*) presented the Bill, and moved—

"That the Bill be now read a first time."

Question put and passed.

The second reading of the Bill was made an Order of the Day for to-morrow.

PETROLEUM BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

"That it is desirable that a Bill be introduced to make better provision for encouraging and regulating the mining for petroleum and natural gas within the State of Queensland."

Under this Bill all legislation pertaining to mining for petroleum will be repealed—that is, the Acts of 1915 and 1920. Certain provisions, however, will be re-enacted. The 1915 Act is a declaratory measure declaring all petroleum to be the property of the Crown, and it permits of the Crown granting licenses and leases for Crown lands only. This Bill will declare all petroleum and helium to be the property of the Crown, and will permit of the Crown granting permits—we use the term "permits" instead of "licenses"—and leases over all lands in Queensland; that is, it provides for the great principle of mining on private property.

Mr. CORSER: It is a good thing for everybody except the man who owns the land.

The SECRETARY FOR MINES: It is also probably a good thing for the man who owns the land. I am quite well aware that the hon. member does not agree with the principle of mining on private property.

Mr. CORSER: I think the owner should be given an opportunity to mine it himself.

The SECRETARY FOR MINES: The lesser value must at all times give place to the greater. If there was a greater oil value in Queen street than the present business value, Queen street should go—we should get the greater value—and that applies to all forms of mining, and more particularly to oil. It would be a good thing probably for Queensland and for Australia if one or two of our most beautiful country sights had to give way to oil production.

Under the Bill the Minister will be permitted to grant permits and leases over private property, but it is provided that compensation shall be given to the owner of the property. An applicant for a permit will have to furnish a bond to cover compensation for damage done to surface rights or crops. At the same time, in determining the compensation we shall not take into consideration the value of petroleum that may be under the surface. That is a sound principle. The main principle of the Bill is the increased areas. Under the present Act a license is granted up to 2,000 acres. Under this Bill we have increased the area to 10,000 acres. No applicant can obtain more than two permits of 10,000 acres. Under the present Act, as I said when the previous measure was introduced, when oil is discovered the applicant or licensee must confine himself to an area of a 60-acre lease. Under this Bill he may take up one-fourth of the area granted by permit as a lease, and he may take the whole of it, provided he puts down one well to 100 acres if he discovers oil, and pays a royalty to the Crown of 12½ per cent. of the gross value of the oil won. That is one of the main principles of the Bill. The Government also have power under this Bill to proclaim areas and mine and work for petroleum.

Mr. MORGAN: Twelve and a-half per cent. is a heavy royalty.

[4.30 p.m.]

The SECRETARY FOR MINES: There may be a time when all petroleum may be declared to be the property of the Crown if it is so desired. I think it is a proper protection to the Government to have a 12½ per cent. royalty. As the hon. member states that is a pretty high royalty, and I contend that the people of Queensland are properly protected under those conditions.

Mr. MOORE: If a man finds oil on private property, what area will he be allowed to take?

The SECRETARY FOR MINES: He may take 10,000 acres under the permit on payment of adequate compensation. The bond in respect of a permit will be for not less than £500, and in respect of a lease not less than £1,000. The amount in each case will be fixed by the Minister, who, if he thinks a great deal of damage is likely to be done, will naturally require a big bond.

Mr. MORGAN: What is the reason for making the bond £1,000 in respect of a lease?

The SECRETARY FOR MINES: It is only a bond to pay compensation. Nobody can prospect for oil without spending a good deal of money, and oil, in my opinion, and in the opinion of qualified geologists, is not going to be discovered in Queensland in any haphazard manner. It is going to be discovered only after the expenditure of a good deal of money. We want also to protect the public from any bogus companies which may be formed, whilst at the same time encouraging the expenditure of money in endeavouring to make oil discoveries.

Mr. MOORE: Can anybody mine on his own land?

The SECRETARY FOR MINES: No. He must have a permit or a lease.

Mr. MOORE: And give a bond?

The SECRETARY FOR MINES: Yes. We have also included in the Bill a provision that prospectuses of oil companies must be submitted to the Minister and verified by a geologist. This Bill, I maintain, will prevent any monopoly in oil, because no company can have more than a certain area of land. We are following the United States Act in that direction, and a similar provision is in the Canadian and British Acts. It will prevent monopoly and safeguard the public and make impossible what we call in this country "wild catting" in oil. It will also prevent the ruination of potential oilfields through folly or by design. We are satisfied geologically that oil has been discovered in Queensland.

Mr. MORGAN: You have not had very much to say about it.

The SECRETARY FOR MINES: No; but probably I shall have more to say on the second reading of the Bill. At Roma an immense quantity of gas was discovered, and we have proved that oil exists geologically.

Mr. VOWLES: We have known that for a good many years.

The SECRETARY FOR MINES: We know that it exists in Australia, and I think it would be a wise thing to encourage the introduction of oil experts from other oil countries, in order that we may learn all that is possible about it. Had we done that earlier when the gas was found at Roma years ago, perhaps we would have had the oil to-day.

Mr. G. P. BARNES: You have had eight years in which to do it.

An OPPOSITION MEMBER: That is another optimistic opinion of the Minister.

The SECRETARY FOR MINES: It is not an optimistic opinion of mine, but an opinion I propose to back up on the second reading. I think I have given sufficient information at this stage to justify the introduction of the Bill.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*) presented the Bill, and moved—

"That the Bill be now read a first time."

Question put and passed.

The second reading of the Bill was made an Order of the Day for to-morrow.

ELECTRICAL WORKERS BILL.

SECOND READING.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): There can be no doubt that the growth of the use of electrical power and energy justifies the

introduction of a measure such as that of which I am moving the second reading. The intention, briefly, is to see to it that for the convenience and protection of the community electrical work is done by thoroughly skilled men. When Mr. Goodwyn was State Insurance Commissioner he drew my attention to the fact that many fires are traceable to faulty workmanship in electric wiring and so forth. That is the general contention of the Fire Underwriters' Association, and the board of examiners constituted under the regulations of the Electric Light and Power Act bore out the contention as a result of their experience. Under that Act a board of examiners has power to issue certificates of competency to electrical mechanics, fitters, and so forth; but it is not necessary for employers of that class of labour to insist that certificated men shall do such work. The electrical authorities, of whom there is a large number in the State, have power to grant licenses to men putting in wires for electrical purposes, but it is not necessary for an employer to employ men having the necessary certificate of competency to do such work. A further weakness in that Act is that an electrical worker, in the pursuit of his calling, may have to travel from place to place, and in each district he requires to secure a certificate from the electric authority concerned, which may be given or withheld at the whim of the manager of the electric authority.

That is not satisfactory. Under the Bill we propose to have a uniform system of certificates of competency for all men engaged in the electrical trade. The certificates—just as they are under the Inspection of Machinery and Scaffolding Act—will be of different denominations and will cover different classes of work; but it will be compulsory for a man engaged in this industry to have the necessary certificate, which will be recognised throughout the State. The Board will also have power to go into the matter of reciprocity between the various States. The men holding existing certificates will be granted a certificate equal in value to the one that will be issued under the Bill. The men now engaged in the industry in whatever capacity who can prove to the satisfaction of the Board that they have followed the trade or calling for a given period will also be given certificates of service without the necessity of passing the prescribed examination. Those who desire to follow this calling will have to submit to the necessary examination, and on the passing of that examination will be granted a certificate which it will be necessary for them to have in order to work in the calling.

The constitution of the Board will be as follows:—We shall have a representative of the Government appointed by the Governor in Council, who will act as Chairman of the Board of Examiners, and who will have a deliberative vote as well as a casting vote; there will be one representative elected by the electric authorities in the State, one nominated by the Fire Underwriters' Association, one elected by the employers in the electrical industry in the State, two elected by certificated employees in the electrical industry, and two will be nominated by the Queensland Branch of the Electrical Trades Union of Australia. That means that the Board will be comprised of eight men representative of all sections engaged in the carrying out of the industry. The point may be raised as to why it is necessary apparently to appoint four employees' representatives. It might be urged—and no doubt will be urged, having regard to the amendments that have been circulated—that this is giving undue advantage to workers engaged in the industry. I would like to point out that the employees engaged in the industry are vitally concerned with the administration of this Board. It is their livelihood that is affected by the successful operations of the Board or otherwise, consequently it is of urgent importance that the employees engaged in the industry shall have adequate representation on the Board when it is borne in mind that the Board can cancel or withhold any certificate on grounds satisfactory to themselves. The certificates concern all those employed in the trade at the present time. It means that managers who hold the necessary certificates and others have a say in the election of these representatives.

The Board will be constituted in exactly the same way as it is at the present time. There is one employees' representative in Mr. L'Estrange, who is a high officer connected with the City Electric Light Company, and there is direct representation of the employers apart from that. The standard of examination which will be set is subject to the approval of the Governor in Council. I consider that to be an important principle in the Bill, because it not only safeguards the public interest but also prevents those engaged in the industry from creating a close corporation if they desire to do so. We know that there is a tendency in a trade, calling, or profession that is given protection by statute for those engaged in that trade, calling, or profession, after they get into it, to create a close corporation with a view to eliminating competition as far as possible and securing any advantage that may accrue to them thereby. We have that in connection with the legal profession. It is significant—hon. members may have read this too—that quite recently the Lord Chancellor of England in commenting on the examination for entrance to the legal profession said that the Law Association of England had set the final examination for the bar at such a standard that he could not now pass it himself. That shows the tendency of that profession to exclude as many as possible from entering into it.

Mr. KELSO: Some of the trade unions do the same.

The SECRETARY FOR PUBLIC WORKS: The tendency in human nature prevails in trade unions the same as in any other section of the community. Human nature is so constituted that, if individuals can secure advantages for themselves, the tendency is to secure those advantages. Certainly individuals in a profession or calling have the right to protect that profession or calling, but it is the duty of the community to see that the public interest is safeguarded and that a close corporation shall not be created.

There is no fear of that being done under this Bill. The Board is representative of all interests affected, and in the last analysis the Governor in Council has power to approve or otherwise of the standard of examination set. I do not think that there is anything further in the Bill that need be explained at this juncture. It is a perfectly simple

measure. If there is anything further that hon. members care to discuss, I shall be prepared to give full information in Committee.

Suffice it to say in conclusion that I think the Bill is eminently justified. No one can fail to take notice of the fact that the supply of electric light and power has practically revolutionised modern society. It has been the means of improving the condition of the public generally, and it has been the means of solving many industrial problems that were incapable of solution in the past. Cheaper light and power is one of the vital needs of society, and allied with that is the necessity of having a plentiful number of thoroughly skilled men who will be able to carry out the work to the satisfaction of the community, and see that life and property are adequately safeguarded. I move—

> "That the Bill be now read a second time."

Mr. MOORE (*Aubigny*): I do not see that there is very much to comment on in the Bill beyond one or two points. The main point in the Bill is the constitution of the Board. The Minister, in speaking on this Bill in the initiatory stages, said—

> "The present Board will be dissolved, and a fresh Board will be elected. The method of election is laid down in the Bill. The Board will be constituted under this Bill precisely the same as the present Board. The electrical authorities, the Fire Underwriters' Association, the employers and the employees in the trade, including the Electrical Workers' Union of Australia, will have representation, as they all have at the present time."

That statement is quite true in one way, but it is very misleading in another. They have all that representation at the present time, but not in the same proportions.

The SECRETARY FOR PUBLIC WORKS: Exactly the same.

Mr. MOORE: I intend to read from the "Government Gazette" concerning the constitution of the present Board. The "Government Gazette" of 4th July, 1914, states that the Governor in Council may from time to time appoint a Board of Examiners, and shall appoint one to be chairman thereof, and that the Board shall consist of five members, one each to be appointed by the electrical authorities.

The SECRETARY FOR PUBLIC WORKS: That has been amended since then.

Mr. MOORE: I am coming to that. I am only quoting the first "Gazette." This "Gazette" says that the Board shall consist of one representative each from the Department of Public Instruction, the Fire Underwriters' Association of Queensland, the employers in the electrical industry, and the employees in the electrical industry.

On 1st February, 1920, a second notice appeared in the "Government Gazette" constituting the Board with six members—one member to be elected by the electrical authorities, one by the Department of Public Instruction, one by the Fire Underwriters' Association, one by the employers in the industry, one by the employees, and one by the Federated Electrical Trades Union of Australia. The present Board is not to have a representative of the Department of Public Instruction. But is to be composed of one representative nominated by the Minister, one nominated by the electrical authorities, one by the Fire Underwriters' Association, one by the employers in the industry, two elected by the employees, and two nominated by the Electrical Trades Union of Australia. The Minister stated that he was afraid there is a tendency in certain callings to make them close corporations. It is quite likely, from the composition of this Board, that this will occur in this industry. It may refuse to grant certificates, and it will have the power to grant or take certificates away for reasons which are not justifiable.

The SECRETARY FOR PUBLIC WORKS: There is a later notice in the "Gazette" than the one you have quoted. What I said is a fact. The Board to-day is the same as the Board to be constituted under this Bill with this difference—that, instead of providing for a representative of the Department of Public Instruction, a representative is to be appointed by the Minister.

Mr. MOORE: I have looked up the constitution of the two Boards and attempted to discover if there was a later constitution. I telephoned to the Under Secretary of the Minister's department, and was told that the notice published in 1920 was the last.

The SECRETARY FOR PUBLIC WORKS: He was wrong if he gave you that information.

Mr. MOORE: That is the information I got from that officer yesterday. I endeavoured to get as much information as I could because I rather objected to the constitution of the Board under the Bill. As the Board is to be constituted, it will be vitally interested in keeping the industry a close corporation. There will be a good deal of electrical work done in the future. The Board has to examine all applicants for certificates. It is true it will have to submit the examination papers to the Governor in Council to see whether they are reasonable or not, but after that it will have the sole right to grant or take away certificates. There is no question of the Governor in Council making regulations. The Bill gives this power to the Board. The Board therefore can state the conditions upon which certificates may, after due investigation, be suspended or cancelled. That is a pretty wide power. It is quite possible under certain industrial conditions that, if a man refuses to join a certain union, the Board might suspend him.

The SECRETARY FOR PUBLIC WORKS: The Board would not have anything to do with that. The Board has only power to deal with the actual competence of the men engaged in the work. The other question is a matter for the Court of Industrial Arbitration.

Mr. MOORE: If it is only the duty of the Board to deal with a man for misconduct or incompetency, it is all right.

The SECRETARY FOR PUBLIC WORKS: That is its duty. Read the schedule.

Mr. MOORE: The regulation will prescribe the conditions under which the Board can grant, suspend, or cancel certificates. If the Board can make a regulation of that sort, it is quite possible that under certain industrial conditions it can suspend the certificate of a man and prevent him from

working in the calling for some reason outside those I have mentioned. The balance of power in this matter is with the representatives of the union who happen to be on the Board.

The SECRETARY FOR PUBLIC WORKS: There are two representatives of the union.

Mr. MOORE: Four.

The SECRETARY FOR PUBLIC WORKS: There are two representatives of the employees.

Mr. MOORE: That makes four.

The SECRETARY FOR PUBLIC WORKS: It is not. Mr. L'Estrange is one of the representatives of the employees now. The election was held only six months ago.

Mr. MOORE: What I am pointing out is that we have a Board appointed here one of whose representatives is nominated by the Government. We do not know who that representative will be, but it is quite possible that compulsion might be brought to bear and he might be the nominee of the employees. The Board is already constituted with two representatives of certificated employees and two nominated by the Electrical Trades Union. It is possible therefore for the employees to secure five representatives on the Board. Those engaged in the industry will be in distinct danger if they are to be entirely under the thumb of the Board as to whether their certificates shall be suspended or not, or whether on going up for examination they shall be blocked. It is quite possible and within the power of the Board to say whether they shall pass the examination or not. I should like to know whether the practical worker now engaged in the industry has to pass an examination?

The SECRETARY FOR PUBLIC WORKS: If he is a practical worker, he will get a certificate of service under this Bill.

Mr. MOORE: Will an apprentice in the industry on becoming a practical man have to pass a theoretical as well as a practical examination?

The SECRETARY FOR PUBLIC WORKS: When he has finished his time?

Mr. MOORE: Yes.

The SECRETARY FOR PUBLIC WORKS: Yes, he will have to get his certificate the same as other journeymen have.

Mr. MOORE: If a man comes from another State where he has served his time as a practical man, can he get a certificate under this Act without passing a theoretical examination?

The SECRETARY FOR PUBLIC WORKS: Yes, within a year. Anyone in Queensland can apply for a certificate of service if he has served his time at the trade, and any man coming from another State who has also served his apprenticeship has the right to apply for the same certificate. The schedule provides that persons must serve varying periods of apprenticeship; but, when the Bill reaches the Committee stage, I intend to make the period three years all round.

Mr. MOORE: I recognise the value of having a man engaged in doing delicate work possessing a certificate of competency to show that he has passed some preliminary examination or has served some time in gaining practical experience. I see no objection to that, but I do see objection to the constitution of the Board, as it has too much power over the individual. We cannot shut our eyes to the way industrial conditions are carried on, to the industrial disputes that occur from time to time, and to the endeavours made by making the unions close corporations to stop other people from being employed because they have done something contrary to the wishes of the unions. It is a mistake to have a Board constituted in such a way that it can impose conditions by which it can take away a certificate, or endeavour in some way or other to prevent a man earning a livelihood although he is competent because he has done something which may have displeased the Board. I see no valid reason at all for varying the constitution by taking away the representation of the Department of Public Instruction and giving that representation to the Electrical Trades Union.

The SECRETARY FOR PUBLIC WORKS: Clause 15 of the schedule provides for the cancellation or suspension of certificates.

Mr. MOORE: Yes, but it does not say that the Board shall not have the power to suspend certificates for any other reason. I quite recognise that a man guilty of misconduct or negligence should have his certificate suspended. Regulations can be made by the Board from time to time, and it may take unto itself this power that I fear it will. I trust that, when the Committee stage is reached, the Minister will take these facts into consideration and not place the individual under the power of those who may take away from him his living—not on the ground of incompetence but for other reasons altogether.

[5 p.m.]

Mr. SWAYNE (*Mirani*): I can sympathise with the objects of any Bill which aims at securing greater efficiency, and I say that this Bill appeals rather directly to me because I have in my electorate six or seven big sugar-mills, all of which use electrical power to a greater or lesser extent. Of recent years the use of electrical power has been increasing in those mills. For instance, in the case of the pumps connecting with the creek or river some little distance from the mill, a certain loss of power through radiation occurred with the steam pump, which has been obviated by the instalment of an electrical pump.

The doubt in my mind is whether, while looking for efficiency, we may not unduly hedge round monopolies. I know that in all these measures the first consideration is the security of human life. (Hear, hear!) I am aware there is a risk to life in connection with electrical wires.

The SECRETARY FOR PUBLIC WORKS: Four hundred volts will kill a man.

Mr. SWAYNE: There is also a risk from fire. We know that sometimes fires are caused by a short circuit, and so on. I sympathise with the objects of the Government in safeguarding the community against such happenings. At the same time, I am wondering whether they are not going to create a monopoly, and make the cost of working our factories and mills greater. We know that our secondary industries, factories and so on, are not increasing in Queensland as they are in other States. Perhaps I am now encroaching on the domain of city members, yet I think the principle applies all round. We must be careful in introducing any law connected with mill or factory working that, while providing for the safety of human life and for protection against fire, we do not

unnecessarily add to the cost of working those factories.

The SECRETARY FOR PUBLIC WORKS: This Bill will not add anything to the cost of working. Some of the mills already have certificated engineers.

Mr. SWAYNE: I am glad to have the Minister's assurance. I believe he has one or two sugar-mills in his district——

The SECRETARY FOR PUBLIC WORKS: I have three in my district.

Mr. SWAYNE: And I have six; therefore, we are in the same boat, and I do not think for one moment that he desires to increase the cost of working those mills. We know that in the mills in the Minister's electorate, also those in mine, and in the Drysdale, Babinda, and South Johnstone mills, and the mill proposed to be erected on the Tully River to a still greater extent, electrical energy is being availed of more than in the case of previous mills. I know that in these new mills there are only about two steam engines, whereas in the older mills there are about fifteen or twenty. Where previously one steam engine ran each set of rollers now one steam engine runs all three sets; while the pumps, fugals, etc., are operated by electric current from a generator driven by another steam engine. In such mills it is necessary to have a staff of highly-qualified electricians. In other mills with only a small driving power, with only a small generator to work a pump or lights, such a highly-qualified staff is not required. I know that I am not now in order in going into details, as this is largely a Committee Bill, but as one clause lays down that a man in charge of electrical machinery should be a mechanical engineer, I intend to move an amendment later, and I should like the Minister to think over it, to make this clause embrace the holder of an engine-driver's certificate. We have men in our factories and mills who have not served their time at any trade, yet they are competent to care for machinery in motion.

The SECRETARY FOR PUBLIC WORKS: Those men now have certificates. If they have been working in such a capacity for three years, they will be entitled to a certificate of service.

Mr. SWAYNE: Will that apply in the future as well? I am considering the case of those who will grow up after the passing of this Bill.

The SECRETARY FOR PUBLIC WORKS: Anyone in the future who desires to work electrical machinery must have a certificate.

Mr. SWAYNE: Yes, but will that certificate be on the same lines as the one granted to engine-drivers qualifying for steam?

The SECRETARY FOR PUBLIC WORKS: No.

Mr. SWAYNE: Speaking from memory, I believe that to qualify for a third class steam certificate a man must have six months' experience, and he can then take charge of a small plant. Then in another year—I am not sure that I am quite right about the term, but I think I am——

The SECRETARY FOR PUBLIC WORKS: You are wrong.

Mr. SWAYNE: It may be two years. If this man has never served his time at any trade but has got experience from being in charge of machinery in motion, and it is quite possible that he can look after machinery in motion, keep bearings cool, etc., better than the man who has served his time in an engineering shop, and is simply looking after a drilling machine or a lathe all the time. I consider that when we go into Committee, we should make some provision in that regard.

The leader of the Country party raised a question regarding the disproportionate representation on the Board which will have charge of the administration of this measure. In a Board of eight members we are to have four direct representatives of the employees, because the two representatives to be elected by the certificated employees in the electrical industry in the State and the other two to be nominated by the Queensland Branch of the Electrical Trades Union of Australia seem to me to represent an industry which is synonymous. That would mean that half the Board will be representing one interest only, as the two representatives of the employees and the two representatives of the unions will be representing the same interests, and the Government nominee may also be in the same interest. The Secretary for Public Works knows quite well that there is preference to unionists in the mills, and therefore each representative of the employees will be a unionist.

The SECRETARY FOR PUBLIC WORKS: Not necessarily. You have managers on the Board now.

Mr. SWAYNE: I am thinking of sugar-mills.

The SECRETARY FOR PUBLIC WORKS: I will give you all the information in Committee.

Mr. SWAYNE: I am prepared to accept the Minister's assurance on that point as I have no wish to delay the passage of the Bill. I think when we get into Committee we should insert a provision giving the employers greater representation on the Board. It appears to me at the present time it is proposed that they shall have only one-fourth of the representation that the employees have. Seeing that there is a risk of fire through short circuiting caused by improper wiring, it is only right that the fire insurance companies should be represented. At the same time you can hardly call them representatives of the employers. I was glad to hear the leader of the Country party foreshadow an amendment that will provide more equitable representation for the employing interests. When we take into consideration the stagnating position in our secondary industries, we do not want at this juncture to pass any law that will create the impression that those who carry on these enterprises are not fairly represented on any Board appointed to control their interests.

Mr. GLEDSON (*Ipswich*): I desire to support the second reading of this Bill, and in doing so I would like to say a word or two in reply to the remarks of the leader of the Country party and the hon. member for Mirani. Those hon. members seem to be confusing this Bill with an Electrical Authorities Bill. It is an Electrical Workers Bill, and the workers certainly should have representation on the Electrical Workers' Board. It is purely a Bill governing the workers engaged in that calling and for the purpose of granting certificates to competent workers so that all electrical work will be carried out in a proper manner. That being so, the ones who have a right to be represented are the workers who will be affected by the Bill. I

do not think there is very much in the point raised by the leader of the Country party and by the hon. member for Mirani. Why the employers should have equal representation to the employees on an Electrical Workers' Board is beyond my comprehension. It is absolutely necessary that this Bill should be placed upon the statute-book at the earliest possible moment. As the Minister stated in his second reading speech, electricity is becoming a power in Queensland to-day, and as time goes on it will become a greater power, and therefore some protection should be provided not only for the workers engaged in the calling but also for the general public. That protection can only be provided by seeing that only men who are thoroughly competent to do the work are granted certificates, and that only those men who hold certificates shall be employed in connection with electrical work. It is very easy for anyone to wire up a dwelling-house or a business place, but, if the wiring is not properly done, it may cause danger not only to the property but to the occupiers. In yesterday's paper we saw that an accident occurred in connection with an electric iron, and we know that fires have occurred through careless wiring done by incompetent or careless workmen. This Bill is to prevent that kind of thing.

The leader of the Country party and the hon. member for Mirani desire that men who are engaged in looking after engines under the engine-drivers' award shall also have the right to take charge of electrical machinery. If we are going to leave the matter open and allow anyone to take charge of electrical machinery, there is no need to introduce this Bill. The Bill provides that only those who hold a certificate of competency shall be allowed to take charge of electrical machinery. That is very necessary. Not only in sugar-mills but in our mines large numbers of machines that are operated by electricity are in use at the present time, and it is necessary, in the interests of the other workmen who are engaged in these works, that the men in charge of that machinery should be thoroughly competent. The only way to make sure that they are competent is to see that they have a proper training. If the suggestion of the hon. member for Mirani were adopted, it would destroy the whole object of the Bill.

The question was raised as to whether qualified men men coming from the other States could obtain the right to work in Queensland. I take it that the same opportunities to become qualified and obtain certificates will be given to men coming from other States as are given to our own people here. A man has no right to come from another State and get a certificate if he is not competent any more than a member of our own community should have that right. Everyone who comes from the other States should prove that he is competent to perform the class of work required of him before he gets a certificate, and until he does obtain a certificate he should not be allowed to follow that calling. I welcome the Bill, as I know it will be a great protection to the public and to the workers themselves when it becomes law.

Mr. VOWLES (*Dalby*): The hon. member for Ipswich charged the leader of the Country party and the hon. member for Mirani with not understanding this Bill. He stated that they had overlooked the fact that the Bill was brought in for the benefit only of electrical workers. I cannot see how any person who reads the Bill can fail to note that fact, because it is stated to be—

> "A Bill to make better provision for the execution of electrical works by competent persons and for the examination of electrical workers and the granting of certificates to them, and for other consequential purposes."

I think that the hon. member for Ipswich does not know as much about the Bill and the conditions appertaining to it as he pretends.

The SECRETARY FOR PUBLIC WORKS: He has a certificate himself.

Mr. VOWLES: He may have a certificate. The object of this legislation is to ensure competence in regard to electrical workers, and that competency is to be gained by examination or by service. When you are dealing with an energy such as electricity, which may result in case of bad workmanship in loss of life or very great damage to property, it is very desirable that legislation and regulations should be introduced in order to give the public the greatest possible amount of protection. For that reason the old order of affairs is being done away with.

The present Board is being suspended and a new Board is being substituted in its place, containing two more members and giving better representation to the workers. This Board is to have large powers. It will have the power, subject to certain regulations as regards the standard of examination, to grant certificates to certain individuals to carry on work. Clause 6 of the Bill states—

> "The Board shall have power to grant—
>
> (*a*) Certificates of competency to all candidates who satisfy them that they possess the necessary practical and theoretical knowledge, skill, and intelligence, and who are not otherwise unfit;
>
> (*b*) Certificate of service without examination in accordance with the conditions hereinafter prescribed."

I am rather at a loss to know why it should be necessary to limit the granting of certificates of competency or of service to persons only for one year after the passing of the Act. People who are engaged to-day without having had a course of apprenticeship but who have a thorough knowledge of their work will be in the same position as other people who have had a term of apprenticeship eighteen months hence, and probably on account of education or other reasons they will not be suitable subjects for a theoretical examination.

Mr. DUNSTAN: You have to draw the line somewhere.

Mr. VOWLES: How many trades require an examination in order to enter them? I agree that the electrical trade requires some examination on account of the danger there is in connection with it; but you may be imposing a hardship on illiterate persons who suffer from nerves and who are not fit subjects for a theoretical examination, but who, from a practical point of view, are a greater protection to the public than the electrical worker who can pass an examination.

Mr. WILSON: There is nothing to stop them getting certificates.

Mr. VOWLES: Only within twelve months from the passing of the Act has such a worker the right to claim a certificate of service without examination, except in the case of a journeyman from outside the State. Why should a man who is a good, solid, practical worker be debarred from the privilege of employment in the future—because it means that—merely from the fact that he is an illiterate person and cannot pass a theoretical examination?

Mr. DUNSTAN interjected.

Mr. VOWLES: We are dealing with trades and not with professions. We do not expect the same standard of education that we expect in a profession. The Minister told us that the legal profession and other professions have had boards created, and that the membership of those professions is a close corporation. It appears to me that close corporations may be created under the Bill as it stands at present, because the Board will be given power to grant certificates, and to withhold or suspend certificates. If the members of the Board decide in their own minds that they want to limit the number of persons who, after the period of twelve months was over, can gain entrance into the electrical trade, not by a standard of examination but by a standard of results by which they will not permit a person to pass an examination, they can create a close corporation.

The SECRETARY FOR PUBLIC WORKS: You surely do not suggest that the Board will not carry out its duties honestly?

Mr. VOWLES: I do not know. They may set an examination paper not of a very high standard, but may require a 90 per cent. result before granting a pass. The Board is supreme; there is no appeal to anybody. The Minister in other matters requires an appeal to be made to the Governor in Council. If a person sitting for examination is dissatisfied with the decision of the Board—and in the case I suggest he may be justly dissatisfied—he has no right of appeal. If the Board during the three years for which it is appointed think fit to do as I have suggested for the purpose of keeping people out of the trade and making of it a close corporation, it can deprive a man of employment. If that man had the right after the time for examination came along and claimed the right to work merely from the fact that he was entitled to a certificate of service without examination, from a practical point of view he would be in a better position. However, that matter can be dealt with in Committee. The principle of the Bill is good, because it is a protection to the trade. But when we are out to protect property and personal security, we do not want to create a position which may mean that certain workers will not be in a position to obtain work or will be prejudiced in connection with their work.

Mr. WILSON (*Fortitude Valley*): This is a very important measure. We know that electricity is becoming a great motive power. It appears to me that one of the main features of the Bill is to try to ensure the safety of the electrical workers. We know, from reading the Press reports both in Queensland and the other States, that men have been working on lines with a current of 400 volts. There was a man killed in South Brisbane two or three weeks ago when working on one of the lines with that voltage. I would like to suggest to the Minister that for the protection of the workers where a line becomes defective and is carrying such an amount of current as that, it should be made a dead end, and a loop should be put in while repairs are being effected, so as to protect the lives of the men. If the safety of the men is one of the main principles of the Bill, as I contend it is, that should be done.

The SECRETARY FOR PUBLIC WORKS: A very good idea.

Mr. WILSON: I am satisfied, from information which I have received, that the man who was electrocuted while working for the City Electric Light Company was a very careful workman, and one of the most trustworthy men the company had in its employ.

I do not know whether it rightly comes under this Bill or not, but there is a certain amount of electrical work in connection with picture shows which should be regulated. I do not know what examination is required to be undergone by those performing that work. If anything went wrong in a picture show and a panic was created, there might be great danger. Perhaps a provision might be inserted in the Bill requiring those who are working in connection with electricity in picture shows to pass some form of examination. They might be required to go to the Technical College for training and examination. I would not say that the examination should be as stringent as the examination for electrical tradesmen; but in the class of work they are following, it is absolutely necessary that they should have some knowledge of electricity. A great many men are employed at picture shows although they have very little knowledge of electrical engineering. I am aware that local authorities have the right to license picture shows, but whether they have the power to deal with that question or not I do not know.

We realise that nowadays a great deal of wiring is done in small houses, and as a result the State Insurance Commissioner and private companies are very much interested, and where a fire occurs it is absolutely necessary that the [5.30 p.m.] origin should be discovered and whether it has been caused by faulty workmanship or not. In many instances I believe that is the cause. The Bill aims at affording a considerable measure of protection to men who have been seeking for some such legislation for a long time. The suggestion has been made by some hon. members that the workers will have too much representation on the Board. I do not see that at all. On the face of it, the measure is an Electrical Workers Bill.

Mr. KELSO: The Minister admitted that it was much more than a Workers Bill.

Mr. WILSON: There is one other matter I want to mention, although I do not know whether I am in order or not. I think that all the tools used by men who follow electrical callings should be insulated. A great many of the firms engaged in this industry do not supply insulated tools.

The SECRETARY FOR PUBLIC WORKS: They are liable to prosecution under the Industrial Arbitration Act if they do not.

Mr. WILSON: If it is already provided for in the Industrial Arbitration Act, there is no need to ask for it here, but I mention the matter because insulated tools are absolutely necessary in view of the great danger

to employees. I have no doubt that the second reading of the Bill will be passed, and I have much pleasure in supporting it.

Mr. KELSO (*Yundah*): Some discussion seems to have taken place on this Bill on the very important point of the representation on the Board, and I suggest to the Minister that he should consider the desirableness of altering it on general principles. If you have a Board consisting of six or eight members, surely it is necessary that you should appoint a chairman so that there will be an uneven number and there will not be the likelihood of having a great number of equal divisions in voting.

The SECRETARY FOR PUBLIC WORKS: The Government representative will be chairman, and he will have a deliberative vote and a casting vote in the event of equality.

Mr. KELSO: Then the Government representative will have two votes?

The SECRETARY FOR PUBLIC WORKS: That is so.

Mr. KELSO: We find that the employees are to have a representation of four on the Board.

Mr. GLEDSON: Why should they not?

Mr. KELSO: It seems to me that it is a large proportion, particularly when you consider that the Government have the right to appoint a representative who will have two votes.

The SECRETARY FOR PUBLIC WORKS: The representative appointed by the Government will be a very intelligent man.

Mr. KELSO: Of course, the time may come when a Tory party will be in power.

The SECRETARY FOR PUBLIC WORKS: Perish the thought! (Laughter.)

Mr. KELSO: That is a possibility that overshadows hon. members opposite always. When you touch upon that subject a cold shiver runs down their backs. Hon. members opposite should realise that the Government representative will be a gentleman who has two votes under this Bill, and the time may come when a Tory Government will get into power.

Mr. MCLACHLAN: Do you say that he would serve the Government?

Mr. KELSO: I do not think the hon. member understands me. The Minister assures us that the man appointed will have no political convictions whatever. The Minister is more optimistic than we are on this side.

The SECRETARY FOR PUBLIC WORKS: I did not say that. I said he would be a very intelligent man who would do his duty.

The SPEAKER: Order! Will the hon. member address the Chair.

Mr. KELSO: I am talking about a possibility, and I ask the Minister to consider the question. I think it is a very good principle to give the chairman only one vote. There are a lot of details in the measure, and several amendments have been forecast. I have dealt with the principal point which I think should be considered, and with the general principle which has been discussed as to the protection of electrical workers I agree. I think, however, that in fairness to the employees there should be a time limit beyond which a man cannot get a certificate merely because he has served three years and is a practical workman. Certainly those who have served three years ought to be competent to get certificates, but I understand that within one year after the passing of the Act anyone who has served and gained practical experience as an electrical worker shall have the right to a certificate.

Mr. GLEDSON: The Minister did not say anything of the sort.

Mr. KELSO: I understood the Minister to say that.

The SECRETARY FOR PUBLIC WORKS: Certificates of service will be granted to men who have a certain period of experience at certain callings.

Mr. KELSO: There the Minister answers my question. It is to be "certain experience," and it is perfectly right that the men who have had practical experience should get certificates—I am practically backing up the hon. member for Ipswich, although he does not realise it. But the time must come when employees should not be able to get such certificates. All those men who have qualified by actual work should be allowed to get their certificates, but the workmen in the calling will know perfectly well the conditions under which they can get the certificates, and there must be a time after which we must shut the door, so to speak, to the issue of certificates of service. After that those who intend to go in for electrical engineering should understand that they will have to study and pass the necessary examination.

On the whole, I think the workers and the fire insurance companies, who are interested in fires in buildings caused by faulty workmanship, are anxious to see this Bill passed, and I think it will serve a very good purpose.

HON. W. H. BARNES (*Wynnum*): I recognise that the ground has been pretty well covered by previous speakers. The Minister, by way of interjection, made some comment about spooks. There is no doubt there have been spooks since the present Government came into office. They have been in the Treasury Building and in the Minister's room. I do not wonder at the hon. gentleman talking about spooks, because we know how conversations have been taken down unknown to people who were listening because spooks were there.

The SPEAKER: Order!

HON. W. H. BARNES: In deference to your call to order, Mr. Speaker, I shall leave that subject.

In connection with the argument on this Bill, hon. members on this side stand for everything that is going to help to protect the workers, because, if you do not protect the workers, you are doing a gross injustice to bone and sinew, and what, after all, constitutes the best in the community. I say that most emphatically. I take it that the criticism that has been levelled against the composition of the Board has not been levelled against it because of the preponderance of workers' representatives on the Board. If you follow the election results, you will find that the workers generally vote for men on this side of the House. (Government laughter.) Speaking for myself, I do not think I should have ever been in Parliament if it had not been for the votes of the workers. The Minister in reply by way of interjection to my remarks with regard to the constitution of the Board confirms that

opinion very largely by his reference to one representative now on the Board.

The SECRETARY FOR PUBLIC WORKS: A very good man, too.

HON. W. H. BARNES: I take it that it is Mr. L'Estrange who is referred to. I am going to say straightaway, and not under cover of any parliamentary privilege, that he is a man whom the workers respect, and that respect is shown by the fact that in his company the workers say that he is the very best man to have as their representative.

The SECRETARY FOR PUBLIC WORKS: He is an employee.

HON. W. H. BARNES: He is an employee of the Electric Light Company, just as I am an employee of my company. The Minister smiles, but it is a fact just the same. I am just a servant in a certain direction, as the hon. gentleman is.

The SECRETARY FOR PUBLIC WORKS: If we are going to follow that out, we are all servants.

HON. W. H. BARNES: I am very glad to hear the Minister say that. By way of reply, let me say that there are some who are better servants than others.

The SECRETARY FOR PUBLIC WORKS: That is true.

HON. W. H. BARNES: That applies very strongly to men on this side of the House.

The SECRETARY FOR PUBLIC WORKS: It all depends on whom you are serving.

HON. W. H. BARNES: A great deal of criticism has been advanced in connection with this Bill which, I think, does not really apply. I say again that where danger exists we have the right to see that men are amply protected. We all know how fearful it is if anything goes wrong, and we all realise that everything should be done to prevent anything going wrong. We know that the electrical authorities to-day will not allow anyone to wire up a house at their own sweet will. Take the Balmoral Electrical Authority. I know something about it, because I was on it for a little while.

The SECRETARY FOR PUBLIC WORKS: Are you not a member of the Board now?

HON. W. H. BARNES: No. The Board has enlarged its powers. No one was allowed to wire up unless he got permission and proved that he was capable and that he had passed the necessary examination.

Anyone would think that in the past there had been carelessness on the part of Tom Brown or Jim Jones irrespective of any regulation.

Mr. PETERSON: The Electric Light Company see to that.

HON. W. H. BARNES: Everyone has to see to it. There is one element that always comes in, whether it be electric supply or any other supply. I take it that whatever our politics may be we are all anxious to protect life. I should be very sorry if that were not so. That is the chief thing. On the other hand there is the feeling that employers must see that they run no risk in order that they may not be mulcted in heavy damages. If hon. members opposite argue that in the past there has been absolute carelessness——

The SECRETARY FOR PUBLIC WORKS: No one has suggested that.

HON. W. H. BARNES: I am very glad to hear that.

The SECRETARY FOR PUBLIC WORKS: Under the existing regulations the electrical authorities can grant licenses, and there was a disability owing to men having to travel in connection with their work.

HON. W. H. BARNES: The arguments have gone along very wise and very proper lines. I think it is not time wasted when hon. members get up and say what they can on a Bill of this kind, because it is a vital one in the community. The only thing I fear is the regulations. Judging by the contents of the Bill, it is going to be governed very largely by regulations. I do not know whether it would not be a good thing for Queensland to have a rest from legislation for some time, so long as we have some control over regulations. In the past, regulations have been made at the sweet will of the Minister, and, if someone comes along—that is what I fear—to get certain things and he is of the right brand, those things are carried out, but, if he does not happen to be of the right brand, an element of justice comes in.

The SECRETARY FOR PUBLIC WORKS: The element of justice is the only thing that counts.

HON. W. H. BARNES: The Minister knows that expediency is all that counts with the extreme socialistic party.

The SPEAKER: Order!

HON. W. H. BARNES: As we are anxious to protect the workers, hon. members on this side are going to vote for the second reading of the Bill, and in Committee will make suggestions which will go in the direction of improving it. That is the wish and anxiety of hon. members on this side.

Mr. TAYLOR (*Windsor*): As has been stated by previous speakers, a measure of this kind will not only secure the safety and competence of the employees, but I take it that it will secure the safety of the general public who are having electric installations in their homes. Anything that can be done in a measure like this which will increase that safety should have the support of everyone of us. We know quite well that so far as electric power and especially the supply of electricity to homes is concerned there is a very big forward move in Queensland to-day. The Government are assisting local authorities by way of loans in order that they may install electric lighting in the suburbs. There is no doubt that quite a number of men are going to take on the work of installing electric currents in the homes, and probably some of them will not have the experience that they should have. They may be qualified to a certain extent; still they may not be qualified to the extent that we should like to see them. In the town of Windsor to-day the City Electric Light Company, by arrangement with the local authority, are installing the electric lighting system. The erection of the poles and the fixing of the wires has been complete for the last two or three weeks in the street in which I live. Since those poles have been erected and the wiring work done, no less than five persons have called at my home asking for the opportunity to install the light in our home. I do not know what are the qualifications of those men—they all may be perfectly qualified to do the work—but it shows that there is quite a number of persons looking for employment in this direction.

It is most desirable, when such a system is installed, that it shall be properly installed, and that the material used shall be of a specified quality, so that the people will have some assurance that the money they are paying for the installation is not wasted. I would like to draw the attention of the Minister to the fact that during his speech in introducing the Bill I asked him across the Chamber whether it was the intention of the Government to dissolve the existing Board. He said "Yes," but he went further than that, and said that not only was it intended under this Bill to dissolve the existing Board but the Board was going to be constituted in precisely the same manner as the Board he intended to dissolve. We now find that its constitution is quite different.

The SECRETARY FOR PUBLIC WORKS: There is an addition of two members.

Mr. TAYLOR: It is not altogether the addition of two members. One of the representatives of the present Board was nominated by the Secretary for Public Instruction.

The SECRETARY FOR PUBLIC WORKS: What is the difference? The present member was nominated by the Secretary for Public Instruction, and under this Bill he will be nominated by the Secretary for Public Works.

Mr. TAYLOR: He is not there, at all events. There are only five members on the present Board.

The SECRETARY FOR PUBLIC WORKS: Six.

Mr. TAYLOR: I have the number as five. I have the notice published in the "Government Gazette" of 4th July, 1914, and it says—

> "The Governor in Council may from time to time appoint a Board of Examiners, and shall appoint one of the Board to be chairman thereof"——

The SECRETARY FOR PUBLIC WORKS: I gave them another one in 1920.

Mr. TAYLOR: Then I stand corrected.

The SECRETARY FOR PUBLIC WORKS: I will give you the names if you like.

Mr. TAYLOR: I am quite prepared to accept the statement of the Minister. I take it that the Board is going to be charged with the powers of examination and the issuing of certificates to those who apply. The representation of the Board is not going to tend in the direction of expedition. It should consist of six members as the present Board does. Both the employees and the Electrical Trades Union should each have only one representative because employees will naturally lean to employees. I do not expect them to do anything else. If they can stretch an examination in any shape or form in order that men can receive certificates of competency and pass the examination, there is no doubt that will be done. The most competent men should form the majority of the Board, and they are the men who are first mentioned in the list of representatives specified.

Mr. GLEDSON: We could not expect you to have a good word for the workers.

The SPEAKER: Order!

Mr. TAYLOR: I plead that the Board should be a Board composed of absolutely thoroughly competent men so that there will be no cavilling at their decisions once they are given. Reference was made by an hon. member to the present Board and to a certain accident at the City Electric Light Works. When one comes to consider the amount of electric energy used at the present time it must be admitted that the number of accidents has been comparatively small. The accidents in several cases may have been of a non-preventable nature. If a cable or wire snaps, it would be very difficult indeed to lay the blame on any person. The wires are all tested in some way. They will probably stand the test to which they are subjected, but, when they come to be active conductors of electric current, the atmospheric conditions may operate in such a way that snapping of the wires takes place, for which no one is to blame. I shall have something more to say on the Bill when it reaches the Committee stage. I have prepared one or two amendments, and I hope that the Minister will see his way clear to adopt them.

Mr. WILSON: The man who met with the accident was sent to effect repairs to the wires.

Mr. TAYLOR: I realise that probably the greatest danger is in repairing the wires when a break does occur. Every precaution may be taken to safeguard life and property, but, owing to the fact that they are continually working at these callings, men are apt to get careless and do not always take the necessary precautions. They then have to pay the penalty of their neglect or carelessness, as the case may be. The Bill is a necessary one, and its efficiency will not be impaired if the Board is constituted of six members as the present Board is. In fact, it will add to its efficiency. A Board of eight members will be somewhat cumbersome. There will only be a hundred or two hundred men applying for certificates and examination. Electrical engineering is a calling in which proficiency is required, and, in addition to mechanical proficiency, intelligence is also required. Any man handling a tool must have a certain amount of brains, as well as skill and knowledge, and he also requires a certain amount of education to become thoroughly efficient. I do not say that there are not plenty of men in certain callings who are very efficient although they have but little education. In this calling where life is at stake the aim should be to have as high a state of efficiency as possible. It is provided in the schedule that any man who has been engaged for seven years in the trade when this Bill comes into operation who does not possess a certificate shall have twelve months to make up for any shortcomings. The interests of these men are therefore being safeguarded under the Bill.

Question—"That the Bill be now read a second time"—put and passed.

COMMITTEE.

(Mr. Kirwan, Brisbane, in the chair.)

[7 p.m.]

Clause 1—"*Short title and commencement of Act*"—put and passed.

Clause 2—"*Limit of Act*"—

Mr. SWAYNE (*Mirani*): I beg to move the insertion, after the word "engineer," on line 17, of the words—

> "or certificated engine-driver."

I am quite aware that the wording of the

Bill seems to be very liberal, but it has struck me that a class of men who are at present in charge of machinery might be debarred from taking charge of machinery where any electrical appliances, such as a dynamo, etc., are included in the plant, because they cannot come under the category of "engineer" or "mechanic." I do not think that the men I have in mind will be embraced by the term "mechanic," because a mechanic has served his time to a trade, and in many instances these men have not. Again, in many cases mechanics will be members of an engineering or ironworking trades union. On the other hand engine-drivers are members of the Australian Workers' Union.

The SECRETARY FOR PUBLIC WORKS: They are not. They are mostly members of the Federated Engine Drivers and Firemen's Association.

Mr. SWAYNE: If the Minister makes inquiries I think he will find that many of the men driving engines are members of the Australian Workers' Union.

The SECRETARY FOR PUBLIC WORKS: Not many of them; they have a special union of their own.

Mr. SWAYNE: I think I am right in saying that they would not be admitted as members of the Fitters' Union.

The SECRETARY FOR PUBLIC WORKS: The engine-drivers have a union and an award of their own.

Mr. SWAYNE: I know that not very long ago they were members of the Australian Workers' Union.

The SECRETARY FOR PUBLIC WORKS: That was from their own choice.

Mr. SWAYNE: They could not be called mechanics, therefore this amendment seeks to provide an opening for them. These men already take charge of machinery, and those in future who pass the examination will be regarded as qualified to take charge of machinery where any carelessness on their part may lead to a considerable loss of life. For instance, the second-class engine-driver's certificate gives a man the right to take charge of a steam boiler up to 50 horse-power. That is a fairly large boiler so far as land purposes are concerned. If that boiler exploded, it might cause more loss of life than an accident caused by an electrical engine or appliance. Whereas one man might be killed by a live wire, forty or fifty men might be killed through the explosion of a boiler. I am just pointing this out to show that these men are regarded as being trustworthy and capable of taking charge of machinery. The amendment will prevent any hardship in that connection. We know that there are many electrical plants in connection with small mining plants, sawmills, and so on in outlying parts, and these plants are in charge of an engine-driver, and I am afraid that, unless the amendment is accepted, it will be found, if the owner of a small plant wishes to install an electric generator for lighting purposes or driving a drill underground, and so on, that the holder of the engine-driver's certificate, who is regarded as being quite competent to look after the main portion of the machinery, will not be able to take charge of the job. I want to provide against that, and we should be careful, so long as we safeguard life and give protection against accidents, so to liberalise the measure as to render its adoption as easy as possible in order to give encouragement to the development of our primary and secondary industries where machinery is used.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I quite understand the hon. member's intention in moving the amendment, but it is entirely unnecessary to meet the case he has stated. Furthermore, the amendment is very ambiguous, as the hon. member does not state the class of certificate he proposes the engine-driver to have. The amendment implies that he classes an engine-driver's certificate with an engineer's certificate, which is quite a different thing altogether. There are three classes of certificate granted under the Inspection of Machinery and Scaffolding Act, and the hon. member does not state which class of certificate he wishes to include. If he reads the clause, he will find that it says—

> "This Act applies only to electrical workers in and about electrical work in connection with the generation, transmission, and supply of electrical energy."

So that the case which he has stated of an engine-driver in a sugar-mill who may be working a plant where electrical energy is the motive power is not affected by the position at all. He will not be allowed to make running repairs or put in an electrical installation. The clause then goes on to say that it does not apply to employees of the Postmaster-General. That is due to the fact that they have to pass a very high standard of examination. Then it says—

> "Nothing in this Act contained shall be construed to prejudice, prevent, or affect—
>
> (*a*) Any mechanical engineer in or from taking charge of any machinery, provided that he is not employed mainly on electrical work."

We know that an engineer is entirely different to an engine-driver. An engine-driver is a man who generally starts as a fireman and gets some experience in the driving of machinery and attending to boilers, and he studies and makes himself efficient. An engineer, on the other hand, is a certificated craftsman and has usually high qualifications. Take, for example, the Board of Trade examination for marine engineers. There is a large amount of electrical machinery on board a ship, of which a marine engineer has to have a thorough knowledge before he can get his Board of Trade certificate. Consequently, a marine engineer or any qualified engineer holds higher mechanical qualifications than an electrician is called upon to hold to get a certificate under this Bill. It would be absurd, therefore, to prohibit him from doing any running repairs in any plant he has charge of; but where the work is purely electrical work connected with the transmission and supply of electrical energy, it will be necessary for him to have a certificate of competency under this Bill. It does not interfere with engine-drivers in sugar-mills carrying on the work which they do at the present time. We know that in sugar-mills and other classes of factories where machinery is used there are engine-drivers employed for certain classes of work. That will continue, and this Bill will not interfere with it. Where repairs are required to be done to machinery, engine-drivers do not make those repairs. The fitters, engineers,

and mechanics employed by the company make the necessary running repairs, and will make them in this case, so long as the work is only a running repair and not wholly electrical work. In short, it means that where there is electrical machinery as well as steam-driving machinery, the ordinary engineers will deal with it, but where the greater part of the machinery is electrical, they must have certificates of competency under this Bill. I think the amendment is quite unnecessary, and on those grounds I do not propose to accept it.

Mr. SWAYNE (*Mirani*): I would like to be quite clear regarding these drivers. As the Minister has pointed out, they come under a different category to engineers, but at the same time they are men who are thoroughly qualified to be in charge of machinery, or they would not have got their certificates. They have to pass an examination. The Minister spoke of the transmission of power, and he dwelt upon plants whose chief purpose is the transmission of electric power, but I have in my mind another description of plant. In an outside mining centre an engine of 50 horse-power may be in charge of a second-class engine-driver. I think the limit of a second-class ticket is 50 horse-power.

The SECRETARY FOR PUBLIC WORKS: Under the Mining Act there is provision for certificates for electrical engineers.

Mr. SWAYNE: I am not talking about winding machinery—I know that the winding ticket is quite a different thing—I am talking about the transmission of electrical power under which they are working electrically driven drills. To generate the power to work these drills underground, there is a dynamo attached to the plant. It will not be the main purpose of the plant—which will be to drive the stampers—but there is a sort of subsidiary use of the plant, as the dynamo generates current for working drills underground. I want to ask the Minister whether—if at the present time a man qualifies as a second-class engine-driver and takes charge of that plant, doing the work which it is doing, and a small dynamo for some particular purpose such as I have described—he will be disqualified. So long as he is not, I am satisfied, but I want to get a definite statement from the Minister. The point is that the electrical installation is subsidiary to the main steam plant.

The SECRETARY FOR PUBLIC WORKS: It will not prevent that.

Amendment (*Mr. Swayne*) negatived.

Clause put and passed.

Clause 3—"*Interpretation*"—

Mr. WILSON (*Fortitude Valley*): I beg to move the insertion, after the word "jointers," on line 17, page 2, of the words—

"biograph operators."

The definition of "electrical workers" then will read—

> "Electrical fitters, electrical mechanics, electrical linesmen, electrical jointers, biograph operators, and other workers in the electrical industry who may be provided for from time to time in an award made under the Industrial Arbitration Act."

Biograph operators are licensed at the present time in South Australia, and I think it is a fair thing to license them here.

Mr. MOORE: Have they not got an organisation of their own?

The SECRETARY FOR PUBLIC WORKS: They are provided for under the same award as electrical mechanics.

Amendment (*Mr. Wilson*) agreed to.

Clause, as amended, put and passed.

Clause 4—"*Creation of Electrical Workers Board*"—

Mr. TAYLOR (*Windsor*): I move the omission of the word "eight." on line 34, page 2, with a view to inserting the word "six." I stated my reason for moving this amendment on the second reading, and I do not think it necessary to reiterate the remarks I made then. The amendment will bring the Board into line with the existing Board. If it is accepted, there will be some consequential amendments to make in the clause.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I cannot accept the amendment of the leader of the Opposition, which would destroy the purpose of the Bill. I pointed out earlier in the debate that the Board of Examiners under the Electric Light and Power Act constituted under the amended regulations under that Act consists of eight members. I knew I had had the matter under consideration, and I looked up the files during the dinner adjournment, and I find that I had deferred action on the ground that we anticipated introducing this Bill and we thought it unnecessary to put through an amendment of the old regulations under those circumstances.

The Bill provides that a Government representative shall be chairman, and there shall be a representative from the electric authorities, the Fire Underwriters' Association, the employers, two representatives from the certificated employees in the industry, and two representatives from the union concerned, making eight in all on the Board.

Mr. TAYLOR: Why should there be two representatives from the certificated employees?

The SECRETARY FOR PUBLIC WORKS: The representatives of the certificated employees may be quite different from the representatives of the union. We are giving direct representation to both employees and employers. I pointed out during my second reading speech that the men's livelihood is at stake. The Board will discharge very important functions. They will set examinations and grant certificates of competency, and they can cancel them for misconduct or faulty workmanship, etc.; consequently, if a man's certificate is withheld or cancelled, it means that he is denied the right to earn a livelihood in his calling, and the union, which is his representative, naturally is there to protect his interests. After you consider the question of competency, the whole ambit of the Bill is the rights of the worker engaged in the industry. That is the basis of the whole thing. With regard to certificated employees, that covers all classes of employees who may be employed by an electric authority. It does not refer to what are ordinarily known as wage-earners working under awards. All the employees who hold certificates have the right to elect representatives to the Board. The Brisbane City Council, under an Order in Council, may establish a power station and go in for an electric supply of their own. The manager, the secretary, and other administrative officers who are

appointed and who are actually the employers for the purposes of the industrial awards, and who may hold certificates of competency under the Bill, will be entitled to vote for the election of the employees' representatives. The employees' representative under the existing regulations is Mr. L'Estrange, a high official of the City Electric Light Company.

Mr. WILSON: The second in command.

The SECRETARY FOR PUBLIC WORKS: The existing members of the Board comprise Mr. Morris, the director of technical education, who is the chairman, Mr. Silcock, representing the Fire Underwriters' Association, Mr. Just, representing the electric authorities, Mr. Trackson, representing the employers, Mr. Bryan, representing the union, and Mr. L'Estrange, representing the employees. You will notice that there are four representatives—apart from Mr. L'Estrange and Mr. Bryan, who represent the employees—of the employing interests. They are in the majority. The provision for bringing in union representatives is absolutely just. They are interested in maintaining a high standard in their trade, and they want to see that the members of this trade—which also involves the membership of their union—have a badge of efficiency in the particular calling. The livelihood of the men is involved in the administration of the Board, consequently it is only right that the employees who are concerned and who are interested in getting the certificates should have full and adequate representation on the Board. On those grounds I cannot accept the amendment.

Mr. TAYLOR: Who are going to elect the two representatives from the certificated employees when those certificates have been issued?

The SECRETARY FOR PUBLIC WORKS: They will be elected by those holding certificates under the existing regulations.

Mr. MAXWELL: And not by the local authorities, as you stated?

The SECRETARY FOR PUBLIC WORKS: The electric authorities will have a vote in the election of their representatives.

Amendment (*Mr. Taylor*) negatived.

Clause put and passed.

Clauses 5 to 8, both inclusive, put and passed.

Clause 9—"*Regulations*"—

Mr. MOORE (*Aubigny*): Are the members of the Board to give their services voluntarily, or are they to be paid? There is no provision for their payment in the Bill, and no mention is made of payment in the schedule, unless it is in clause 2.

The SECRETARY FOR PUBLIC WORKS: No fees at all are to be paid.

Mr. MOORE: It is just to be a voluntary Board?

The SECRETARY FOR PUBLIC WORKS: Yes.

Clause put and passed.

Clause 10—"*Expenses to be paid out of moneys appropriated*"—put and passed.

Schedule—

Mr. WILSON (*Fortitude Valley*): I move the insertion, after the word "jointer," on line 33, clause 9, page 6, of the words—

"biograph operator."

Amendment (*Mr. Wilson*) agreed to.

Mr. MOORE (*Aubigny*): I would like to ask the Minister if the secretary to the Board has to be paid for receiving applications for examination and issuing certificates of competency? Where does the secretary come from? The members of the Board receive no fee, so, if there is an appropriation, how is the secretary provided for?

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): The usual practice is to appoint an officer of the public service to act as secretary of the Board in addition to performing other duties. It is not a full-time appointment. The Board will meet once in eight weeks, or oftener if required. His salary is provided for in respect of his other duties. I beg to move the omission of the words—

"trade of electrical fitter,"

on lines 50 and 51, clause 12, page 6, with a view to inserting the words—

"electrical trade."

It is merely a verbal amendment. Apprentices are not sent to the trade of electrical fitter but to learn the whole of the electrical trade. After the apprentice has finished his term of apprenticeship, he can specialise in any branch of the trade that he desires.

Amendment (*Mr. Smith*) agreed to.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I beg to move the omission of the word—

"fitters,"

on line 60, page 6, with a view to inserting the word—

"trades."

Amendment (*Mr. Smith*) agreed to.

[7.30 p.m.]

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*) moved the omission of the words—

"the proper trade advisory committee,"

on lines 63 and 64, clause 12, page 6, with a view to inserting the words—

"such department."

Amendment agreed to.

Consequential amendments were made on lines 6, 7, 15, and 19, clause 12, page 7.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I beg to move the omission, on lines 27 and 28, clause 12, page 7, of the words—

"trade of electrical jointer,"

with a view to inserting the words—

"electrical trade."

HON. W. H. BARNES (*Wynnum*): It strikes me that some of the amendments—and this one is typical of some of the others—make the Bill read extremely strange——

The SECRETARY FOR PUBLIC WORKS: They are only consequential amendments.

HON. W. H. BARNES: They make the wording of the Bill appear almost stupid, and they are introducing a lot of tautology. We have no revising chamber now, and I quite recognise that we have to take what we get. We have had the word "trade" inserted several times, and altogether it is not fitting for an Assembly such as this to produce wording such as we are putting into the Bill.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): It is quite illuminating to have this lecture from the hon. member for Wynnum as to the proper wording of the Bill. No doubt the hon. member could be quite interesting, if he felt so disposed, on such a subject. I fail to see any grounds for pessimism so far as the proper reading of the Bill, as amended, is concerned. At present the clause of the schedule under consideration reads—

> "Has served as an apprentice to the trade of electrical jointer. . . ."

I pointed out earlier in the discussion that, when an apprentice is engaged by an employer in this industry, he is not employed as an apprentice at any branch of the trade. He is employed as an apprentice to the electrical trade, and, if his employer does his duty by the apprentice, that boy gets an opportunity of learning all the branches of the electrical trade.

Mr. MOORE: Why not read paragraph (i.) and (ii.) of subclause (2) of the clause?

The SECRETARY FOR PUBLIC WORKS: We are making the bill read "has served as an apprentice to the electrical trade."

Mr. MOORE: You have that at the top, in paragraph (i.) and (ii.) of subclause (2).

The SECRETARY FOR PUBLIC WORKS: They are merely consequential amendments. We have altered the Bill with regard to fitters, then with regard to mechanics, and now we are altering it with regard to jointers.

Mr. MOORE (*Aubigny*): It is exactly the same paragraph over again. There is no sense in it. Does it not seem altogether too ridiculous? On the top of page 7, in subclause (2), we have this—

> "Any person may apply for examination for a certificate of competency as an electrical mechanic, who has served as an apprentice to the electrical trade for such period as is prescribed by the regulations for apprenticeship under the Industrial Arbitration Act, and has otherwise conformed to such regulations."

Then we have exactly the same thing in subclause (3) (*a*). We are only repeating the same paragraph, for no reason whatever. There is no sense in having two paragraphs of the same kind in one schedule.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I thought I had said enough to point out the reason for making the amendment. Under the Bill four different certificates will be granted by the examiners. A certificate of competency for electrical fitters, one for electrical mechanics, and a third for electrical jointers, and one for a linesman, making four in all. Each deals with a different occupation. When a boy is apprenticed to the trade he does not become an apprentice jointer, or an apprentice mechanic, or an apprentice fitter or linesman, as the case may be. He is apprenticed to the electrical trade. It is true that the wording of the clause is the same in each case, but, if the hon. member will read it carefully, he will find the amendment makes a difference. After a boy has finished as an apprentice he may be more competent than others, he may have studied more than others, or have specialised in the higher branches of the trade, consequently the certificate is more valuable in one case, requiring greater knowledge and experience, than another. This is provided for. Take, for example, the certificate dealing with electrical fitters—

> "(i.) (*a*) Has served as an apprentice to the electrical trade for such period as is prescribed by the regulations for apprenticeship under the Industrial Arbitration Act, and has otherwise conformed to such regulations; and
>
> "(*b*) Produces a certificate from his employer stating that his conduct is satisfactory and outlining the amount of experience he has had as an electrical fitter or as a mechanical engineer or fitter; or
>
> "(ii.) (*a*) Has attended the evening trade course for electrical trades at a technical college where such courses are recognised by the Department of Public Instruction for not less than three years and produces a certificate of efficiency in the work of that course from such department."

Later on, when we come to deal with a jointer, the position is different. The clause says—

> "Any person may apply for examination for a certificate of competency as an electrical jointer who—
>
> (*a*) Has served as an apprentice to the electrical trade for such period as is prescribed by the regulations for apprenticeship under the Industrial Arbitration Act, and has otherwise conformed to such regulations; and
>
> (*b*) Produces a certificate from his employer stating that his conduct is satisfactory, and outlining the amount of experience he has had as an electrical jointer."

That is quite a different thing altogether.

Amendment (*Mr. Smith*) agreed to.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I beg to move the omission of the word "any," on line 53, clause 13, with a view to inserting the words—

> "or chairman and one other."

The clause as it reads at present enables any member of the Board to grant interim certificates. That may be regarded as too loose, and I propose to insert the words I have mentioned, so that the chairman and another member of the Board may grant an interim certificate to enable a man to work. A thoroughly qualified man may come from another State, and the object of this clause is to allow such a man to be employed without delay.

Amendment agreed to.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I beg to move the omission of the words—

> "for at least five years,"

on line 63, clause 14. Later on I propose to omit the words "four years," on line 64, and insert the words "three years as journeymen." The clause will then read—

> "Certificates of service shall be granted by the Board to all persons who are at the date of the commencement of this Act engaged in the electrical industry

and who can satisfy the Board that they have been engaged as electrical fitters or electrical mechanics or electrical linesmen or electrical jointers for at least three years as journeymen."

The idea is not to impose any hardship on those engaged in the trade. If a man is working to-day and has been working for three years as an electrical mechanic, it can reasonably be assumed that he is thoroughly competent. He has to satisfy the Board that he has been working for at least three years, and that should be quite sufficient to enable him to secure a certificate of service without examination.

Amendment agreed to.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I beg to move the omission, on line 54, of the words "four years," with a view to inserting the words—

"three years as journeymen."

Amendment agreed to.

HON. W. H. BARNES (*Wynnum*): One cannot but feel that a lot of legislation is being rushed through pell-mell. This Bill has been brought in and rushed through, and we find the wording is very unsatisfactory, and altogether it indicates that the attention which should be given to matters of great moment apparently is not given. While some of the amendments moved by the Minister have been printed, others have not been printed. We have rushed the Bill through Committee, and this is what we call legislation in Queensland.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): If the hon. member has any desire to be facetious about the Bill, we are quite prepared to listen to him and to be amused if he is amusing; but it is rather funny to have the hon. member get up and complain about "rush" legislation. The Bill has been before the House for some considerable time; every member of the House has had it in his possession for some time, together with all the amendments, with the exception of a few merely consequential amendments that involve no principle; yet the hon. member has the temerity to complain of "rush" legislation and of the Government putting this Bill through as though it was hurried and ill-considered. The hon. member must not imagine that anyone is impressed with arguments of that kind; but if he derives any satisfaction, he is quite at liberty to have such satisfaction.

Schedule, as amended, put and passed.

The House resumed.

The CHAIRMAN reported the Bill with amendments.

The third reading was made an Order of the Day for Tuesday next.

INSURANCE BILL.

SECOND READING.

The ATTORNEY-GENERAL (Hon. J. Mullan, *Flinders*): The objects of this Bill are to secure a more rigid supervision and effective control of insurance companies. The agitation in this direction has been very pronounced, not only in Queensland but right throughout the Commonwealth for some considerable time. Insurance—particularly life insurance—is a very serious business, particularly for the man who has insured himself against old age, or as a provision for his family; and it is a pretty serious business for a man who has thus protected himself if, when his policy is reaching maturity, he finds that his company is insolvent.

Mr. BRAND: Are there any instances in Queensland?

The ATTORNEY-GENERAL: There unfortunately have been numerous instances, to which I will refer before I finish, in other parts of the world. I am glad to say that Australia has been freer from the liquidation of insurance companies than other places, but we want to guard against it for the future. (Hear, hear!) It is also unfortunate in the case of individuals who have invested their all in some of these doubtful ventures, not merely as policyholders, but as shareholders; and I claim that it is the duty of the State to step in and endeavour to secure as much protection as possible, not only for policyholders, but for shareholders. The peculiarity of the insurance business is that the effect of good or bad management in most cases is not noticeable immediately; it may escape notice for quite a long time. The result is that an incompetent or dishonest director may pursue a disastrous policy for years, and pursue it so far that it is too late, perhaps, when the position of the society becomes known, to avert disaster. What we want to do is to guard against that. Only in Monday's "Courier" we had the announcement that one of the big English companies—the City Life Assurance Company—had gone wrong to the extent of £1,000,000. The revelations disclosed in the report of the "Courier" in regard to this matter are very interesting; indeed, so much so, that I think they ought to be placed on record. The report states—

"London, 28th September.

"The official receiver made remarkable revelations at a meeting of creditors and shareholders in the City Life Assurance Company, which owed unsecured creditors £1,374,000, and had a deficiency of at least £1,000,000. The company was moderately successful until the year 1912, when its surplus was £417,472, but the next quinquennial valuation revealed a deficiency of £158,000. In order to right matters, the directors arranged with Mr. Aldridge, a new managing director, and a man named Redgrave, to raise £160,000. The City Life, however, did not receive the money, as it was handed over to another company in which Aldridge was interested, together with another £160,000. Though the City Life did not receive a penny, Mr. Norman, its agency manager, was paid £16,000 for introducing Aldridge to Redgrave.

"Cries of 'Shame!'

"The official receiver, continuing, said that, as the City Life's managing director, Aldridge, was paid £2,200 salary and expenses, and 2½ per cent. commission, yet in 1920 the company loaned Aldridge £21,000, which, later, was increased to £61,961, the company ultimately losing £10,000 over the debt.

> When the managing directorship was terminated, Aldridge received £3,750 compensation, and, later, was loaned £2,000 to enable him to avert bankruptcy.
>
> "Several shareholders demanded that the late board be prosecuted, and the official receiver promised to consider the matter."

I merely read that to show what is happening in other parts of the world in regard to insurance, and if we are not careful in Australia, it is going to happen here; in fact, we have been perilously near it in some of the cases to which I shall refer later.

Mr. TAYLOR: Have they not got legislation in England?

The ATTORNEY-GENERAL: They have, but, unfortunately, it is not as satisfactory as it ought to be. I might refer to the City Equitable Assurance Society in London, which a couple of years ago went into liquidation with assets of £9,026 and liabilities amounting to £1,500,000. That will show the danger with regard to the insurance companies if they are not on a stable foundation and adequately controlled. I consider that the citizens of a well-governed country have as much right to expect protection from bogus company promoters as they have to expect protection from any other burglar, because I contend that many of the company promoters are nothing more than burglars.

Mr. KIRWAN: They are worse than burglars.

The ATTORNEY-GENERAL: To show the importance of insurance to Queensland, apart from the rest of the Commonwealth, I find from the last available returns that in December, 1921, there were 222,300 policies in existence, representing an assurance of £30,688,064. That shows the importance and the necessity of exercising some control over this business. The formation during the last two or three years of numerous life assurance companies throughout Australia has caused genuine alarm, not only to the assurance companies themselves and their policy-holders, but to the general public, because of the financial cataclysm which is likely to ensue. A Commonwealth-wide agitation has been on foot in the Press and elsewhere to bring about effective control. To give a sample of the newspaper propaganda in our own State, and to explain the modus operandi which is being employed by some of these "snide" companies, let me just quote a paragraph from our own "Daily Mail."

Mr. SIZER: Do you call them "snide" companies?

The ATTORNEY-GENERAL: Some of them are worse than "snide." There are some "snide" politicians, and the hon. member is not far removed from one.

The SPEAKER: Order!

Mr. SIZER: I do not know what you are talking about.

The ATTORNEY-GENERAL: That is not your fault. This is a sample of the modus operandi of some of the "snide" companies—

> "The genesis of many of these new companies is extremely simple. An ambitious canvassing agent has had some success in his canvassing, and is the recipient of letters from his manager congratulating him on his remarkable success as a business-getter. Armed with these, and with practically no inside experience of all the other essentials necessary to properly conduct a life assurance company, the agent decides to 'float his own company' and appoint himself managing or governing director at a high salary for a period of from ten to twenty years. Having made a contract between himself and a trustee for his proposed company, he usually decides to take any number between 10,000 and 40,000 fully paid shares as 'promotion shares' for the arduous (?) work he has done for his company, and occasionally a cash consideration is also taken. Having drawn up a prospectus in which the remarkable profits of one—and only one—company are blazoned forth, he sets out to get his directorate, and so far this does not appear to have been a difficult task. He then either canvasses the sale of the shares himself or arranges their sale at a very high commission through some share-selling agency. For obvious reasons, members of the stock exchange do not handle these propositions. The remarkable feature is the eagerness with which the public have taken up the shares, in many instances at a premium of 2s. 6d. or 5s. per share, and this long before any statement of accounts has been issued to the public."

That is a typical illustration of the modus operandi of many of the companies which are endeavouring to foist themselves on the public. A good canvasser is not necessarily a good manager. A man may be an excellent canvasser, but know nothing of the business inside, and it is suicidal for a company to appoint him managing director—in effect to appoint an incompetent manager at a huge salary for a long term of years. That is preposterous, and means the strangling of the company in its infancy. The company working under this method has no possible hope of success, especially when it is competing with other companies which are adopting the same methods.

The leader of the Opposition referred to the position in Australia. It is true that we have not met with the disasters which have been experienced in other countries, but I am sorry to say that we are not [8 p.m.] entirely free from them. We have the example of an insurance company with a capital of £2,000,000. The promoter, for acting as broker or by acting as broker, got £40,000 out of the first £100,000 raised.

Mr. TAYLOR: Is the company still in existence?

The ATTORNEY-GENERAL: I am not able to give that information. I have here some information about another company—the Australian United Insurance Company—the creation of a man named Bond, which, by order of the Supreme Court of Victoria, has gone into liquidation. I have here extracts from the "Daily Mail" and "Courier," which are very interesting reading as showing what has happened in

connection with this company. The "Daily Mail" of 28th June last had this paragraph—

> "Melbourne, Wednesday:—The affairs of the Australian United Insurance Company, the boom creation of George William Bond, were reviewed in the Practice Court to-day before Mr. Justice Mann, when an order was made authorising the appointment of a provisional liquidator pending winding up.
>
> "It was stated that the company, which was incorporated in July, 1922, had a nominal capital of £2,000,000, of which about £5,000 was credited as paid up. Another company, the Australian Underwriters' Proprietary Limited, had been incorporated in July, 1922, with a nominal capital of £10,000.
>
> "The memorandum of association was signed, amongst others, by Bond's office boy and a typist. Bond was to receive a salary as governing and managing director of £1,500 a year. A large number of shares paid up to 5s. had been sold throughout the Commonwealth."

There is a very fair sample in our own Commonwealth of what is happening in the insurance business. We find from a report in the "Courier" of 31st August last that the assets were £350 and the liabilities £7,024 11s. 4d., and there were unpaid calls amounting to £18,000.

Mr. TAYLOR: Was it a life assurance company or a fire insurance company?

The ATTORNEY-GENERAL: It was the Australian United Fire Insurance Company. It is interesting to know that the Victorian directorate of that company were well known in parliamentary, financial, and business circles, but the parliamentarians and the financial magnates quickly retired when they discovered that the company was likely to go into liquidation. One of the pernicious practices of these companies, which are doomed to failure from the very outset in most cases, is to induce some parliamentarian, some financial magnate, some man in high social circles, to become a director and, as the "Mail" indicated in its article, he unfortunately too readily accepts the position. Such men are simply made decoys for these "snide" companies—instruments for the deception of the public—and I counsel public men to beware of such companies and not to yield to the temptation to become promoters or directors until they have made proper inquiries into their bonâ fides, because individuals amongst the public will say, "Whatever is good enough for So and So, is good enough for me," and there is no doubt that in that way the public are misled. We ought to try to avoid that sort of thing. I admit that very often such a man is led into such a course really believing he is doing the right thing, but at the same time public men should be careful about becoming promoters or directors of companies of this kind. In this connection it is interesting to read a short paragraph from the "Courier," which largely coincides with my own view on the matter.

Mr. ELPHINSTONE: Does it usually reflect your views? (Laughter.)

The ATTORNEY-GENERAL: Not usually, but in this instance it does. Dealing with the Australian United Fire Insurance Company, it says—

> "In connection with flotation of companies with reputable men as directors, the public generally assume that all is straight and sound. It surely is the duty of directors to satisfy themselves as to the bonâ fides of affairs for which they practically become sponsors."

I entirely agree with that, and it would be well if the matter were considered by those concerned.

I have here numerous examples of the type of unpromising companies which have been foisted on the people of Australia. "Smith's Weekly" reports about one of the latest of them that it is giving its promoter 17,000 fully paid-up shares and making him a director for ten years, with a minimum salary of £1,000 a year. There is an example of the very thing I have mentioned. The company is committed to this man, who has had no experience of the inside working of such a company. He is merely a canvasser, and hon. members will see the danger of that sort of thing. Then I have an example of a company registered in our own State which issued no fewer than six different prospectuses. The prospectus was amended five times and most misleading statements were made in it, in order, no doubt, to hoodwink the public and captivate the investor. It was represented by this company that profits had been made by certain other companies of from 233 per cent. to 1,650 per cent. It cited some wonderful examples of the profits to be made in insurance and the great success to be achieved by men who dabbled in the business. They cite six notable examples of very powerful companies. They quote the New Zealand, the South British, the Standard, the National, the Queensland, and the United Insurance Companies, Limited, as types of strong companies. They are strong companies. They are companies that undoubtedly have done remarkably well and have shown great profits; but they forgot to tell the public that, although they were dealing mostly with life assurance, these companies amassed their profits out of fire insurance. That was a gross misrepresentation of a position that should not be tolerated, and will not be tolerated when this Bill becomes law. This is a slab from their prospectus—

> "In the British Empire during the year 1919 shares in an insurance company appreciated in value about £50,000,000 sterling, giving an increase of 43 per cent. over value at the end of 1918."

Mark those words, "Shares in an insurance company." The above appeared in its first, second, and third prospectuses, but in the fourth prospectus it was altered. No doubt it was done after their attention had been drawn to the misrepresentation. It stated in the fourth prospectus—

> "In the British Empire during the year 1919 shares in insurance companies appreciated in value," etc.

There they did not say, "Shares in an insurance company." That gives you a fair sample of the misrepresentation that goes on. It would be interesting to quote a few comments by Mr. J. E. S. McInnes, a fellow of the Institute of Commonwealth Accountants, on the flotation of this company—

> "The prospectus states that the qualification of a director 'as fixed by the articles' is 2,000 shares, but a reference to the articles shows that the qualification is in fact only 1,000 shares.

"An important feature in the prospectus, and the one mainly stressed by the promoter, is the great appreciation in capital value of shares in other insurance companies, the increases mentioned ranging from 233 to 1,650 per cent. Strange to say, the five companies named do not transact life business, and as the (————) company's business will be principally life assurance, there can be no comparison between them. Capital appreciation of shares, however, has no charm for the promoter, for he (very wisely it may be) takes preference shares as his promotion consideration—8 per cent. cumulative in his hand apparently is worth more than 1,650 per cent. in the bush!

"The gyrations of the company's prospectuses to date are amusing, and there are not less than three different issues. The first two were 'for private circulation only,' though the second one, at any rate, was well circulated, both were marked 'abridged,' but no fuller prospectus was in existence. The latest prospectus is headed 'official prospectus.' Every edition contains many absurd blunders, and on my pointing out a number of these in the third edition, the promoter promptly announced his intention of issuing a fourth. The numerous mistakes do not constitute a good augury of the care so necessary to the successful management of a life company."

That shows the need in Queensland—coming right home to our own door—for something to be done. This is not the only company. There is another company registered in Sydney which has recently registered in Queensland. I find that the total premium income for its first year's operations was £10,495, and this amount cost £23,480, which works out at a cost of 223 per cent. A company cannot go on very long writing business at a cost of 223 per cent. I find on looking at the balance-sheet that to this deficit of £12,985 has to be added £24,796 for promotion and establishment, making a total amount of £37,781 for establishing and organising. The company in its first year has over £37,000 down in its establishment and organisation account. You see where that company is heading for if its management does not exercise great care. Whereas it placed over £37,000 into the account for organisation and management in its first year, it only wrote £10,495 in business. The balance-sheet is certified to as correct. Listen to the rider—

"Subject to audit report of even date."

We did not get the auditor's report with the balance-sheet, so that might mean anything, showing the necessity for greater control of our insurance companies. This company had to pay one of its leading men—the promoter, I would call him—8,000 preference shares fully paid up, which adds considerably to its liabilities. I have not mentioned the names of the companies because they are in existence and I do not want to damage the shareholders or the policyholders, but I want to draw the attention of those concerned so that they will exercise extreme caution, because it is only by the exercise of extreme caution that those companies can be piloted past the most perilous period in their career—the early years. They are very heavily handicapped now. Every State in the Commonwealth is at the present time agitated very much by this question. The Minister for Justice in New South Wales has received numerous deputations in connection with the necessity for introducing legislation to control insurance companies, and I have here a brief statement made by the Minister after looking into the matters represented to him by the deputations—

"'This matter was looked into following a deputation, which pointed out the danger to the public of companies undertaking insurance business without proper safeguards,' said the Minister. 'To my astonishment, the discovery was made that quite a number of companies had been formed under conditions which seemed to favour only the promoters.'"

That is what I have been trying to drive in all night. A number of companies recently established in Australia have been formed under conditions seeming only to favour the promoters and regardless of the interests of policy-holders. The Minister for Justice in New South Wales goes on to say—

"In some cases the promoters seem to have been dissatisfied officers of old companies, who started enterprises of their own. For instance, one company was formed with an authorised capital of £250,000 in £1 shares. Of this £100,000 was offered for public subscription, and £5,000 in fully paid-up shares was to be the promoter's consideration.

"In another case, the authorised capital was £250,000. Of this 236,000 shares, of £1, were offered to the public, and the share of the promoters was £14,000.

"Another company, with an authorised capital of £500,000, offered only £125,000 to the public, divided into ordinary and preference shares. The promoter received as consideration £12,500 in preference shares, and £1,000 in cash.

"'These,' said Mr. Ley, 'are but three instances out of many which suggest the reason for the promotion of new companies. The promoters afterwards become directors, receiving, in addition to the consideration for the formation of the company, fees which probably they could not earn in other spheres.'

"Mr. Ley added that as the result of these revelations he intended to propose to Cabinet amendments to the company law which would secure protection, not only for policy-holders in companies formed for insurance, but for small shareholders who might be ruined by the loss of their capital."

That is the experience of the Minister for Justice in New South Wales, and as a result of that experience he, like this Government, has indicated that drastic legislation will be introduced. Whether they will introduce it or not is a matter for themselves.

Mr. KIRWAN: The same experience has occurred in Victoria.

The ATTORNEY-GENERAL: I have a report of a deputation which waited upon the Attorney-General of Victoria from the Actuarial Society of Australasia. At that deputation the astounding fact was revealed

that no less than eleven life assurance companies had started business in Victoria since 1921. I do not know where room is to be found for the whole of them. This is a matter of such importance that I shall give the House a résumé of the representations made by that deputation as disclosed in a report published in the Melbourne "Age"—

> "The large crop of new insurance companies which has sprung up of late is causing grave concern to the Actuarial Society of Australia. As was reported in 'The Age' of yesterday, a deputation from the society waited on the State Attorney-General and pointed out to him that unless Parliament did something there would be a crash in the insurance world later on. One of the chief complaints about the new ventures is that they are managed by men who are not experienced in insurance work. It is pointed out that the nature of life insurance is fiduciary, and the companies are trustees for the policy-holders. The questionable venture might go on for years since the claims in the early portion of its life would be small, so that the company could go on paying claims for a period and still be insolvent.
>
> "One of the companies has an authorised capital of £500,000 in 1,000,000 shares of 10s. each. The issue is 100,000 preference shares at 10s. and 200,000 ordinary shares at the same amount. To the promoter 25,000 paid-up ordinary shares have been issued, and 25,000 fully paid-up ordinary shares will be distributed among members of the staff during the first five years at the discretion of the directors.
>
> "In another instance the authorised capital is £500,000 in 125,000 preference shares of 10s. and 875,000 ordinary shares of the same amount. The issue is 100,000 preference and 150,000 ordinary shares. The promoter gets 12,500 pari passu shares and £1,000 cash.
>
> "Another venture has a capital of £100,000 in 10s. shares. Of these, the promoter gets 5,000 fully paid-up shares.
>
> "Still another company has an authorised capital of £100,000 in £1 shares. The issue is 25,000 preference shares, of which 10,000 fully paid-up shares and £1,000 cash go to the promoter and 15,000 have been offered to the public. The remaining 75,000 ordinary shares have been offered to the public.
>
> "One company has an authorised capital of £100,000 in 40,000 6 per cent. £1 cumulative preference shares and 60,000 ordinary £1 shares. Of the preference shares, 32,000 have been offered to the public and 8,000 fully paid-up go to the promoter. The ordinary shares have been offered for public subscription."

Of course, the ordinary shares are always offered to the public—

> "Yet another company has an authorised capital of £500,000 in 1,000,000 shares at 10s. So far 300,000 shares have been offered to the public and 200,000 will be issued before the end of January next. The promoter's share is 12,500 fully paid-up shares.
>
> "There are many other similar instances. In one case the promoter received £1,000 cash. In another he received 10,000 preference shares and £1,000 cash. Another was given £14,000 worth of shares. One promoter received 7,500 shares and a ten years' engagement. The promotion of insurance companies seems to be a profitable business.
>
> "In fourteen companies selected by the Actuarial Society the promoters' consideration amounted to an aggregate of £123,000 in shares and £5,000 in cash."

The House does not need a more glaring indictment of this method of company promotion, particularly as regards life assurance companies, which is rampant in Australia, than the citation of cases that I have given from the Melbourne "Age."

Mr. ELPHINSTONE: The hon. member for Brisbane has further examples.

Mr. KIRWAN: Yes, I have them all here. Don't you worry!

The ATTORNEY-GENERAL: I could cite at least a score of further instances of the operations of these human sharks. They are nothing more than human sharks, who are preying on and plundering the public. I have confirmation of my most extreme utterances of what they are doing in the best financial journals of the Commonwealth. It is time that something was done to bring about their more effective supervision and control. A great deal in the matter of control has already been done in Queensland—more than any other State. The Life Assurance Companies Act of 1901 and the general Insurance Act of 1916 provide for deposits of £10,000 in the case of life assurance companies and a minimum deposit of £5,000 and a maximum deposit of £10,000 in the case of fire insurance companies. We have therefore already done something in prescribing certain conditions under which these companies are to operate. There is no provision for a deposit in New South Wales. No company, whether it is life, fire, or any other kind of insurance, is called upon to pay any deposit. The deposit in Victoria is fixed at £5,000 until the funds accumulated out of the premiums amount to £15,000, when this £5,000 is refunded. The Act in South Australia provides for a deposit of £5,000, plus 25 per cent. of the excess of receipts over expenditure up to a maximum deposit of £20,000. In Western Australia there is provision for a deposit of £10,000, plus 25 per cent. of the excess of receipts over expenditure up to £20,000. Tasmania has a similar provision to that which exists in Victoria, and New Zealand is pursuing the same policy as is proposed in Queensland—that is, providing for a maximum deposit of £50,000. The Commonwealth has power under section 51 of the Constitution to make laws in connection with life assurance. Unfortunately so far the Commonwealth Government has not made much progress in this direction. The Royal Commission appointed to inquire into this matter in 1910, consisting of Mr. Justice Hood and Mr. Knibbs, the Commonwealth Statistician, made certain recommendations to the Commonwealth Government. Mr. Hughes, who was Attorney-General at that time, drafted a Bill, which came before Parliament in 1914, when I was a member of the Senate. That Bill has so far not received legislative enactment. Legislation affecting life assurance ought to be a matter for the Commonwealth

Parliament, but as the Commonwealth has not dealt with the matter, it really devolves on the State to deal with the matter. It is mainly because of that that the Government has decided to introduce this legislation.

I indicated an outline of the Bill and its chief provisions on its earlier stages. The Bill is a small one, consisting of three clauses; in fact, there are only two, because one is called the title of the Bill. It is a very important, though small, Bill. The second clause of the Bill really provides for an amendment of section 5 of the principal Act of 1921. It is provided in the principal Act for a deposit of £10,000. Under this Bill an additional deposit of £5,000 is proposed for every £200,000 assurance written in excess of £200,000 up to a total deposit of £50,000

Hon. J. G. APPEL: Really a forced loan?

The ATTORNEY-GENERAL: It is not a forced loan. If the hon. member only looks into the matter he will realise [8.30 p.m.] that it is not so. As a matter of fact, the company can make its future deposits either in cash or debentures. Most of those companies will not be called upon to pay anything at all. Many of them have deposits in excess of their requirements. A company having a greater amount assured than £200,000 will pay £10,000 deposit and £5,000 for every additional £200,000.

Hon. J. G. APPEL: What do you mean by saying "Many of them have deposits in excess of their requirements"? You cannot hold that excess.

The ATTORNEY-GENERAL: No. They may withdraw anything in excess of the maximum.

Mr. TAYLOR: They may draw the present deposits that you hold in excess of £10,000.

The ATTORNEY-GENERAL: Under the Bill these companies will pay on that scale up to £50,000, but many of them have more than £50,000.

Mr. TAYLOR: Yes, but not as deposits.

The ATTORNEY-GENERAL: They have paid it in as a deposit. It is quite distinct from any loan.

Hon. J. G. APPEL: They could not dispose of anything under the £50,000?

The ATTORNEY-GENERAL: If they had, say, life assurance policies amounting to £1,000,000, that would compel them to deposit £50,000, the maximum. They could not withdraw anything below the £50,000 under those circumstances. Above that amount no additional security is required. The Bill also provides that life assurance companies commencing business after the enactment of this amending Bill shall be strictly mutual, that is, the whole of the profits shall be absolutely divisible amongst the policy-holders. We think that this clause will do more than anything else to wipe out company promoters.

Mr. BRAND: Do you think any new companies will start?

The ATTORNEY-GENERAL: If they do not, it cannot be helped. If they do, they will have a fair chance. We have a very fine mutual society in Queensland already, if people like to avail themselves of it—that is, the State Government Insurance Office.

Hon J. G. APPEL: Do you really think that?

The ATTORNEY-GENERAL: Yes; it is a strictly mutual company, and I think the hon. gentleman knows that.

Mr. ELPHINSTONE: Would you give the State Government Insurance Office preference to the Australian Mutual Provident if you were insuring?

The ATTORNEY-GENERAL: Undoubtedly. As a private individual I would not have the slightest hesitation in doing so. Of course, when speaking of the Australian Mutual Provident, hon. members must remember that it is an old, well established company—a wonderful society. I would never dream of saying one word disparaging it. Our State Insurance Office is an infant, but it is a very healthy infant, and I want to tell the hon. gentleman, as he has raised the question of comparison, that during the last two years our little baby State Insurance Office in Queensland has written more business than the Australian Mutual Provident Society.

Hon. J. G. APPEL: In Queensland?

The ATTORNEY-GENERAL: Of course. We are only operating in Queensland.

Mr. ELPHINSTONE: You must have some of those able canvassers you were talking about.

The ATTORNEY-GENERAL: We have. Of course we have had experience with both good and bad men.

This provision as to strictly mutual companies does not apply to the companies now in operation. They will be entitled to obtain licenses to carry on. Those licenses will be issued by the Treasurer within three months after the passage of this measure. Companies commencing business after the passing of the Bill will have to comply with certain conditions—that is, if any are likely to commence. (Opposition laughter.)

Mr. BRAND: You say that only mutual companies will be allowed to start?

The ATTORNEY-GENERAL: That is so as regards life assurance. Those new companies will have to comply with the condition of depositing £50 for the investigation of the prospectus and the affairs of the company, or, if they are already in existence, an investigation into the articles of association or the balance-sheet. A company that is about to be established will have to secure the approval of the Auditor-General to the prospectus. That is a new provision that will apply to either life or general insurance companies in the future. The Treasurer may grant licenses to new companies, but he has a discretionary power. There is a penalty of £1,000 for any company issuing a prospectus without obtaining the sanction of the Auditor-General. They must not in any advertising in connection with the prospectus indicate that the company has been approved by the Auditor-General. There is no reason why they should get a Government boost. Let them go ahead on their merits.

The arrangement in connection with interest is a satisfactory one. At present life assurance companies make the prescribed deposit of £10,000 under section 5 of the principal Act and under section 6 they are entitled to a refund of the income on that deposit. That will stand as it is, but on future deposits they will obtain interest, as I indicated at an earlier stage, at the average rate returnable on certain prescribed securities on the Brisbane Stock Exchange for

the six months ended the 31st December last preceding the period in respect of which such interest is payable. That is a very fair way of settling it. It is very difficult to be equitable in this matter, but the Government have come to the conclusion that this is the most equitable arrangement.

The Treasurer may notify any company of his intention to cancel its license. For instance, any company that is not able to pay its debts or which has violated any material principles of the Act may be notified by the Treasurer of his intention to cancel its license. If the answer given by the company is not satisfactory to him, he may do so. The company will have the right of appeal to the Supreme Court and later, if necessary, to the Full Court. Either party will have the opportunity of appealing to the Full Court.

Hon. J. G. APPEL: What will become of the deposit if the license is cancelled?

The ATTORNEY-GENERAL: Of course it will be refunded if the company has no debts owing in this State. The Bill provides that a duplicate of all returns now sent to the Registrar of Joint Stock Companies must also be sent to the Treasurer, with a deposit not exceeding £50. The deposit may be only £10, according to the estimated cost of making investigations from year to year. Those returns will not be merely bundled away in a pigeon-hole; I hope that in future they will be thoroughly investigated to ascertain the soundness or otherwise of the companies concerned. Instead of penalties in future going to the Consolidated Revenue, as has been the practice in the past, the penalties under the Bill, if there are any penalties imposed, will go towards the administration of the measure. That may relieve the companies of the necessity of paying £50 for investigation purposes. They may only need to pay £10.

Mr. TAYLOR: I think £50 will be altogether too much.

The ATTORNEY-GENERAL: I have a perfectly open mind on the matter, and, if the hon. member can convince me that the sum of £50 is too much to make the investigations required, I shall be glad to reduce the amount. I have accepted £50 on the advice of experts in the business, and, if the hon. member will give me some stronger evidence by other experts which is contrary to the opinions expressed to me, I shall be prepared to meet him.

Now I come to the question of marine and general insurance. There are a few amendments in connection with that. One is in regard to prospectuses. The prospectus of a new company undertaking marine and general insurance must be submitted and approved of by the Auditor-General, and there is a similar provision as in connection with life assurance companies for a penalty of £1,000 for publishing a prospectus before it has been approved of. The deposits, too, are different. Under the present Act a marine and general insurance company is required to pay a deposit of £5,000 when the premium income, less local reinsurances, does not exceed £10,000. When the premium income is more than £10,000 these companies have to pay a deposit of £10,000. Under the Bill a premium income of less than £10,000 requires a deposit of £5,000, and an additional £5,000 deposit for every additional £10,000 written, the maximum deposit being £20,000. That is not an excessive amount for a big insurance company. An important and new feature is that these companies may either pay a deposit in cash or in any prescribed Government securities. In the past they have had to pay cash.

Mr. TAYLOR: What is the difference?

The ATTORNEY-GENERAL: The companies realise the difference, and I understand they very much appreciate the alteration. In connection with these deposits we are making provision for the payment of a rate of interest which will be more satisfactory to the companies. As hon. members know, the present Act only gives us the statutory right to pay 4½ per cent, although, owing to money being dear, we have made a concession which we need not have done to the insurance companies, and are paying them 5½ per cent.

Mr. TAYLOR: You only had the deposits for five years at 4½ per cent. Those five years have expired.

The ATTORNEY-GENERAL: To-day we are paying 5½ per cent. when we need only pay 4½ per cent. Under this Bill, instead of a fixed rate, we are going to pay what may be regarded as the current rate of interest, which is much fairer to all concerned.

Mr. TAYLOR: Do I understand you to say that under the 1901 Act the companies had to pay the deposit in cash?

The ATTORNEY-GENERAL: They may pay the deposit either in cash or in securities. I have outlined the provisions of the Bill, and I commend it to the House. When we get to the Committee stage I shall be very glad to give any additional information that may be required. I think I have demonstrated beyond the possibility of doubt the need and the urgency for the introduction and passage of a measure of this kind to protect, not only the policy-holders and the shareholders in insurance companies, but the general public also. In fact it will save many of the insurance companies from themselves. I have much pleasure in moving—

"That the Bill be now read a second time."

Mr. TAYLOR: Do you intend to take the Bill through Committee to-night?

The ATTORNEY-GENERAL: I do not think that would be advisable.

Mr. ELPHINSTONE (*Oxley*): The contention of the Minister as to the necessity of the Commonwealth taking this insurance business in hand is quite correct. It seems to me rather to involve the question of having different practices prevailing in different States with regard to the necessary supervision over insurance companies. That supervision has been found to be essential in all parts of the world where insurance business is conducted. In Great Britain the necessity for making the restrictions in regard to insurance companies harsher as time goes on has come up periodically for consideration. I recall that in Great Britain there have been periods when new companies have been floated almost as quickly as mushrooms grow, and attention has been called to the need for introducing restrictive measures from time to time. Australia has been passing through that phase quite

recently, and there is no doubt some legislation of this nature is quite essential in Queensland at the present moment. The remarks of the Minister rather partake of a sensationalism worthy of "Smith's Weekly," if one may use that expression. One would almost imagine, from the hon. gentleman's speech, that the whole insurance profession in Queensland is permeated with viciousness and an inclination to burglary and promotion of companies of "snide" propensities, whatever that may be.

Mr. KIRWAN: He was not nearly as strong as the Melbourne "Age."

Mr. ELPHINSTONE: I do not take the Melbourne "Age" as my authority, as the hon. member does. The Minister's remarks are rather an insult to insurance companies generally, or, rather, to many innocent companies, and, although I am free to admit that there have been instances of late where restrictive legislation is necessary, you have to bear in mind you are dealing with a profession that has existed for centuries, and which has conducted its business in a wholly honourable and efficient manner. I could give many instances where insurance companies have shouldered liabilities amounting to millions of pounds when no obligation existed. One of the most honourable professions in the world to-day is that of insurance. There is no doubt that during the last year or two companies have been floated in Australia which fairly well justify the castigation of the Minister. There is no doubt men who have seen the position of affluence attained by the general manager of a company have floated companies themselves. There is no gainsaying that, and the unfortunate thing is that there are public men and investors who are gulled into believing that the success of old-established companies will be reflected in these new companies. In that regard I think the House as a whole welcomes the legislation which is introduced, which, I believe, is to a very large extent acceptable to the whole of the House.

There are one or two features in regard to the Bill which call for comment. One which I wish to touch upon is the principle involved in the clause which prescribes that no new life assurance company shall start in Queensland other than a mutual life assurance company. The Minister admits that that will practically act as a bar to the establishment of any new life assurance company in Queensland, and it is so.

The ATTORNEY-GENERAL: Not necessarily.

Mr. ELPHINSTONE: In reality it is so, because you are not going to get philanthropists in these days—and that is what it means—to put up sufficient money to meet the deposit requirements when they are not going to get any benefit from it. In my judgment that clause is totally unnecessary, and I want to show why I make that statement. There have been two mutual life assurance companies, probably well known to the Minister, in existence in Australia—the Mutual Life Association of Australasia and the Australian Widows' Fund, both of which were entirely mutual life companies, which, through inefficient management, in my judgment, gradually lost grip and lost way as far as bonus-earning capacity was concerned, and along came the Citizens' Life Assurance Society, which is a proprietary company, and bought up these two mutual life companies, and now we have the Mutual Life and Citizens' Assurance Company, which is one of the best-conducted companies in Queensland to-day. There is a case where a proprietary company bought out two mutual companies, and is conducting the business very much more efficiently than it was conducted under mutual conditions. The fact of an insurance company being mutual—that is, dividing all its profits amongst its policy-holders—is not necessarily a guarantee that the bonuses which that company is going to pay will be in excess of those paid by a proprietary office. The real success in life assurance is the management which is applied to it. That is exemplified in many insurance companies which are not known in this part of the world. A company which, in my judgment, is on all-fours with the Australian Mutual Provident Society, so far as success and bonus-paying capacity are concerned, is the Canada Life Assurance Company, one of Canada's best companies, just as the Australian Mutual Provident Society is our outstanding company. In that Canadian company a small percentage of its annual profits is divided amongst its shareholders, yet it is paying huge bonuses. The point I am trying to stress is that one of the best bonus-paying companies in existence to-day is a proprietary company. The Treasurer can withhold his consent if in his judgment the proprietary company which applies for permission to conduct life assurance business here is not desirable. Assuming that an existing company which is conducting fire and accident insurance business here—one of the old-established companies doing business in Great Britain to-day and which is conducting fire and accident business here also—assuming that that company were to attach a life department to its business, is it not to be permitted to conduct life assurance business in Queensland? For the sake of argument, assuming that the Liverpool, London, and Globe Company—it is an assumption on my part—which is conducting accident and fire business in Queensland, were desirous of undertaking life insurance business, is it to be debarred from so doing in Queensland to-day—which would be the case if this clause is allowed to stand? My argument is this: Seeing that the Treasurer has the power at all times of saying whether companies are to be permitted to conduct life assurance business here or not, it is quite unnecessary to put in a mandatory clause of this nature, which has as its object the debarring of any company opening life assurance in this State in future that is not working on the mutual principle. I commend that matter to the consideration of the Minister. I believe he is anxious to be reasonable in this matter, and that all he wishes to do is to protect the insuring public and the shareholders of future companies, whoever they may be. If he studies my argument, he will know that he has all the power that is necessary to prevent companies starting life assurance business in Queensland without putting a mandatory clause of this nature in the Bill, which may have an effect beyond what he anticipates.

Another feature about this Bill that calls for comment is, that certain fees are called for in regard to the granting of licenses to existing companies and the renewing of licenses from year to year which are ostensibly for administration expenses. That is quite reasonable, but what I do not understand is why those fees should be lodged with the State Insurance Commissioner. In my

judgment that is a most undesirable feature. The State Insurance Office is a competing office, in the ordinary and accepted sense of the term, and why should we allow the deposits which these competing companies must pay for the purpose of paying for the supervision of their affairs to be paid to the State Insurance Commissioner?

The ATTORNEY-GENERAL: That is so in the Insurance Act of 1916.

Mr. ELPHINSTONE: I am quite aware of that, but you are now amplifying the revenue which is to be derived from this source and the issuing of licenses, and, as you are making it apply to all companies in existence to-day and all companies which will be formed in future, I consider that this is the proper time to take a grip of the matter and make the supervision of insurance companies a matter entirely outside the control or supervision of any competing insurance office. That is what the State Commissioner is—you cannot look upon him in any other capacity. I therefore hope that, when an amendment is moved in Committee in regard to this matter, the Minister will see the wisdom of removing the supervision from the interference of the State Insurance Commissioner absolutely and entirely.

Again, why should the State Insurance Office be treated differently to any other life assurance company with regard to the lodging of returns? The Bill provides that the companies transacting business in Queensland must each year within a stipulated time lodge a statement with the Registrar of Joint Stock Companies, showing their position. On the other hand, all the State Insurance Commissioner is required to do is to prepare a return in keeping with the requirements of the Auditor-General. It is now proposed to make it necessary that these life assurance companies shall make their returns in future to the Auditor-General, which is quite fitting and proper. The Auditor-General is an officer in high position, who, we have every confidence, will supervise the operations of these companies satisfactorily; but I contend that the State Insurance Commissioner, who is conducting a competing business, should be called upon to comply with exactly the same conditions as his competitors in business. We have always argued from this side of the House that, if the State thinks it is justified in engaging in competition with commercial enterprises, the least it can do is to comply with the same conditions that the competing trade houses are called upon to do. Therefore we contend that it is just as necessary that the State Insurance Office
[9 p.m.] should be as efficiently conducted as proprietary or mutual companies outside, and that it should lay its returns in the same hands as these other companies, so that each year the Auditor-General can issue a comparative statement showing the stability of them all, their reserves under different headings, the expense ratio under different headings, the interest they assume they are going to earn, and the interest they actually do earn—all of which, in determining the merits or demerits of insurance companies, are vital matters to those who know what they are talking about. So I suggest that the Minister would be acting in a dignified manner and in keeping with the responsibility which devolves upon him if he insisted that the State Insurance Office should comply in this respect with the same conditions as other institutions, such as the Australian Mutual Provident Society, which have amply justified their existence.

There is another phase of this question upon which I wish to touch. The young companies which have sprung up in Queensland will be severely handicapped by being called upon to deposit the specified amounts of money with the Government on the terms as to interest which are provided in the Bill. I quite agree that the clause in the Bill dealing with the rate of interest is fair and reasonable, but, if insurance companies relied on a rate of interest such as the Government are prepared to pay, they would never succeed. I make bold to say that, if the Australian Mutual Provident Society or any such company was compelled to invest all its money with the Government, even on the terms as to interest which are prescribed in this measure, its rate of bonus would be materially reduced, because a company that conducts its business efficiently can obtain a very much higher rate of interest outside of Government investments. I think I am correct in saying that the Australian Mutual Provident Society charges 6½ per cent. on first mortgages with a one-third margin of security. It has a large proportion of its money invested in that way, and the higher rate of interest thus received enables it to earn a good average percentage; and therefore to pay a high rate of bonus.

That brings me back to the question I asked of the Attorney-General with reference to the merits of the State Insurance Office in comparison with outside institutions. He said that he would prefer to insure with the State Insurance Company rather than with the Australian Mutual Provident Society or a similar institution. I do not think he meant that, and I will tell him why.

The ATTORNEY-GENERAL: As a matter of fact, I have taken out a policy with the State Insurance Office.

Mr. ELPHINSTONE: All I can say is that the hon. gentleman acted from a desire to support his own institution, rather than from motives of business acumen, and I do not say that with any desire to be unkind.

The SECRETARY FOR PUBLIC LANDS: Is there not a difference in the expense rate?

Mr. ELPHINSTONE: I shall deal with that later. My present point is that in the first place the State Insurance Office is compelled to invest—or whether it is compelled or not, it does invest its funds in Government securities.

The ATTORNEY-GENERAL: It does so.

Mr. ELPHINSTONE: It does so. Whether it is compelled to do so or not is another matter, but it does not affect my argument. That being so, it is obvious that the State Insurance Office will never be able to earn the same rate of interest on its funds as the Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company, and similar institutions. I have been many years in this business, and I happen to know something about it. Another point I want to make is that the State Insurance Office bases its table of premiums on the assumption that it is going to earn 4 per cent. on its money. The Australian Mutual

Provident Society and the Mutual Life and Citizens' Assurance Company base their premiums on the assumption that they are going to earn only 3 per cent. The difference in result is this: The profit of a company is ascertained each year by the difference between the assumed rate of interest and the actual rate of interest. The State Insurance Office assumes a rate of 4 per cent., and earns probably 5 per cent.—barely 5 per cent., perhaps. The Australian Mutual Provident Society assumes a rate of 3 per cent., and earns 5½ per cent. The latter has a clear 2½ per cent. margin of interest on its millions of invested funds, as against the bare 1 per cent. of the State Insurance Office; so that it can pay higher bonuses at its annual or quinquennial valuation. Therefore I am quite certain that the Minister will admit that the State Life Department cannot hope to compete in life assurance with institutions such as those I am speaking of.

Some reference was made to expense rates, and I have gone to some trouble to compile a table of the expenses allocated by the State Insurance Office to its various departments—and this is why I am anxious to see the State Insurance Office brought within the purview of the Auditor-General in common with other insurance institutions, so that the public eye can be concentrated on all our insurance activities, State or otherwise, and so that we may get a true perspective of the position. I want to draw attention to the fact that, for the period of six months ended 30th June, 1918—it was only started on the 1st January of that year—the administration expenses allocated to the life assurance department of the State Insurance Office were £3,979, whilst for the period of twelve months ended 30th June, 1919, the amount was £16,878, and for the year ended 30th June, 1920, £24,482—showing a gradual increase in administration expenses consequent on the increase in business—whereas for the year ended 30th June, 1921, the amount allocated to the life department was only £18,559, or £6,000 less than in the previous year. Why was that? How came it that to the life department in 1921 administration expenses amounting to only £18,559 were allocated, whereas in the previous year, with less business, the allocation was £24,482? The Minister probably does not know the reason, but I will give him the reason. It is that in 1921, when the proportion of expenses was reduced by £6,000, the State Insurance Office was called upon to declare a bonus, and the surplus that was available—after reducing the expenses allocated to the life department by £6,000—was £10,347. Had its proper proportion of administration expenses been allocated to the life department, the State Insurance Office could not have declared a bonus to the extent that was distributed in that year—and even when all this wonderful life business was being written of which the hon. gentleman tells us, the total bonus it could pay in cash was only £9,918. That is the bonus which the Minister says enables the State to write more business than the Australian Mutual Provident Society. That may be correct or it may not—I will take his word for it—but the point is this: Here is an office that does not come into the light by examination, and does not come under the same amount of supervision as other companies, and I feel compelled to say that any proprietary company or mutual life office that was guilty, as apparently this office has been, of failing to allocate to the life department its true proportion of expenses so as to be able to pay a bonus and enable it to say, "Our surplus is so much, and therefore our bonuses are going to be so much," would probably not get a license for the next year.

The ATTORNEY-GENERAL: The hon. gentleman is not conversant with the inner details of the administration of this office. He is only guessing.

Mr. ELPHINSTONE: I am simply taking the Commissioner's figures.

The ATTORNEY-GENERAL: You know how easy it is to prove anything with figures.

Mr. ELPHINSTONE: I hope the Minister will, for the sake of the life department, deal with this question, as it is open to him to do. I am fairly conversant with insurance figures, but these are figures which, in my judgment, call for comment as a public man and as a man who is interested in this subject, and therefore, as this is a matter that the public want to be protected in, we, as the representatives of a certain portion of that public, ask for information on this matter.

Let me now deal with the proportion of the administrative expenses attributable to the workers' compensation department of the State Insurance Office. In the year 1918, £27,789 was allocated to that department, and at the 30th June, 1919, there was £38,548 allocated, in 1920, £46,940, and in 1921, £57,939. That is quite proper and as it should be—an increasing amount of expenditure attributed to that department in the light of its increasing business—but for the year 1922 the proportion of expenses allocated to that department was reduced to £55,397, which is £2,600 less than the previous year. Why, with the increasing volume of business that is being done in that department, should the percentage of expenses attributable to it for the year 1922 be reduced by £2,600? I will give you what I believe to be the reason. In that particular year there was the Mount Mulligan disaster, by which the State Insurance Department lost approximately £30,000. That was a severe blow. I remember asking the Minister in the early days of this department whether he had made any provision for reinsurance of what we call fatality risk. He brushed it aside as being a question not worthy of consideration.

The ATTORNEY-GENERAL: No.

Mr. ELPHINSTONE: Had you reinsured against that risk at a small rate of premium, you would have saved that large amount of £30,000 in one loss.

The ATTORNEY-GENERAL: The hon. gentleman asked me that question subsequent to the disaster.

Mr. ELPHINSTONE: No—a long time prior to it. Anyone conversant with workers' compensation risks knows that you must reinsure for fatality risks. If a steamer goes down and hundreds of lives are lost, as a disaster like Mount Mulligan gives us evidence, look at the tremendous risk you run. It is a risk that no prudent insurance man would undertake. He would reinsure it, or reinsure that part of the risk that he would not be competent to undertake. However, we have learned our lesson, and I do not intend to dwell upon that subject. The point I want to make is that there was a

reduction in the administrative expenses attributable to that department in the year that we had the Mount Mulligan claim. That could not have been done had the State Insurance Office been subject to the same amount of supervision as it is intended to apply to competing offices in Queensland. Therefore I do earnestly suggest that, for the sake of all concerned, the Minister bring the State Insurance Office under the same provision as is intended to apply to others.

The ATTORNEY-GENERAL: If we had reinsured that risk, would we not have paid away more in premiums than the amount that was paid away in connection with the Mount Mulligan disaster?

Mr. ELPHINSTONE: No. The rate for fatality risk is fortunately very small. If you take the workers' compensation risks throughout the world as a whole you will find that the workers' compensation premiums form a very small percentage of the premiums of life assurance of companies.

Mr. DUNSTAN: Even at a low rate the workers' compensation throughout Queensland would amount to a very large sum.

Mr. ELPHINSTONE: I quite agree with the hon. gentleman, but I do not see what effect that has on my argument. The Minister was perfectly sound in his statement when he said that you cannot ascertain the true position of an insurance company until it has been in existence at least five years, and therefore those who have been telling us of the wonders of the State Insurance Department should wait and see—not that we want to see that department fail, because I have always argued that a State Insurance Department is a justifiable State activity—but as to its success or otherwise we must wait and see. When the administration of that department finds it necessary to juggle with the administrative expenses in regard to their allocation to various departments, it does not look healthy, and therefore the Minister should, for the sake of his department, the credit of the State, and the credit of those who are interested in this business, bring the State Insurance Department under the same supervision as it is intended to apply to other companies, so that public light, public competition, and public criticism may be applied to it, because that is really the best safeguard that you can give to any policy-holder.

This is a Bill which does not call for any prolonged comment, because in my judgment it is quite a fit and proper Bill to introduce. The Minister, although somewhat sensational in his statements, nevertheless——

The ATTORNEY-GENERAL: You cannot say that I exaggerated.

Mr. ELPHINSTONE: No, but I do think the Minister perhaps failed to do justice to the companies which for generations—generations is not an exaggeration—have carried immense responsibilities with dignity and honour well befitting British commercialism.

Mr. KIRWAN: More companies have failed than succeeded in Great Britain.

Mr. ELPHINSTONE: Insurance companies?

Mr. KIRWAN: Yes.

Mr. ELPHINSTONE: I do not know that that is a fact. But even so, I contend that the insurance business of the world, including Queensland, has been conducted, generally speaking, in an honourable and straightforward manner, and the reason why we welcome this Bill is so that the reputation which those companies in the past have enjoyed may not be besmirched by these recent advents, having as their object, as we have been told, the finding of jobs and the finding of promotion money for certain interested parties whose qualifications are conspicuous by their absence.

HONOURABLE MEMBERS: Hear, hear!

Mr. BRAND (*Burrum*): I must congratulate the Minister on having brought forward this very serious Bill as he terms it, and I would like to congratulate the hon. member for Oxley for the magnificent speech he has delivered and for the splendid suggestions he has offered to the Minister. I feel quite certain, from the manner in which the Minister delivered himself of this Bill, that he will take notice of the suggestions that have been offered. I hope that he will find some place for them in the Bill when it comes to the Committee stage. The main objects of the Bill, so far as it relates to life assurance, is to provide better protection and greater protection for policy-holders. It proposes to increase deposits with the Treasurer on an ascending scale in proportion to the amount of assurance held until the deposit reaches £50,000. Hon. members on this and the other side of the House will agree that it is necessary for life assurance companies in this State to lodge much greater deposits than they have to do to-day. The present Act, as has been explained by the Minister, provides for a deposit of £10,000. He asserted that certain companies in this State have lodged with the Government deposits in excess of that amount. We have to accept his assurance on that point.

The ATTORNEY-GENERAL: That is so.

Mr. BRAND: On referring to the Auditor-General's report, I find that only twenty-five companies in Queensland have deposits of £10,000.

The ATTORNEY-GENERAL: The Australian Mutual Provident Society has a deposit of £100,000.

Mr. BRAND: Not as a deposit. It may have over £100,000 invested in Government loans and debentures, but not as a deposit under the Life Assurance Companies Act of 1931.

The ATTORNEY-GENERAL: It has put in £100,000, and the Citizens' Life Assurance Company £75,000. You are merely quibbling.

Mr. BRAND: I am not. The Minister knows perfectly well that most of the companies desire to invest their money in the securities of the Queensland Government. They should be commended for doing so. Up to the present time life assurance companies in this State have an amount of something like £485,000 as a deposit vested with the Treasurer under the Life Assurance Companies Act of 1931. It ill becomes the Minister, then, to try to cast a slur on these companies.

The ATTORNEY-GENERAL: I am not. I am only casting a slur on the "snide" companies.

Mr. BRAND: The Minister referred to them as "snide" and burglarious companies.

The ATTORNEY-GENERAL: That some persons were interested in promoting and floating.

Mr. BRAND: Those remarks ill become the Minister.

The ATTORNEY-GENERAL: I am trying to protect the public.

Mr. BRAND: The Minister is not so much trying to protect the public as trying to injure certain companies for certain purposes.

The ATTORNEY-GENERAL: I did not mention names.

Mr. BRAND: Provision is made in the Bill for still greater deposits on an ascending scale.

The hon. member for Oxley touched very fully on the provision prohibiting any but mutual assurance companies registering in Queensland. That is a very brilliant thought of the Minister. He must know perfectly well, as everyone in Queensland knows, that no philanthropic person in this State is going to come forward to invest £10,000 with the Treasurer for the purpose of gratifying an ideal. There is no possible hope of a mutual life assurance office ever commencing operations in this State. I hope that the Minister, in his wisdom, will see the desirableness of omitting that clause. I am quite prepared to agree that the Bill is very desirable so far as it affects existing companies. No doubt existing companies are desirous that that clause shall appear in the amending Act, because it gives them practically a monopoly of life assurance business in Queensland. I do not know whether the fact that life assurance companies in Australia came to the assistance of the Government a short time ago has anything to do with their being granted a monopoly of life assurance business in this State, but I am going to oppose such a clause on principle. There is one provision in the Bill to which I will refer, on which I hope the Minister will accept some reasonable amendment later on. In the original Act, as I have just stated, a deposit of £10,000 is required to be deposited with the Treasurer within six months of commencing operations. This Bill proposes to reduce that time limit to three months. That is quite reasonable, but the Bill makes no provision whatever in regard to the time limit for the extra deposit when the business transacted exceeds £200,000. The companies should be given the same time limit as is extended to them in the first instance. I agree to a certain extent with the Minister with regard to the principle of making it compulsory for companies to obtain a license from the Treasurer before commencing operations in this State, and for any company with its head office in another State having to procure a license before operating in this State. Such a provision will overcome many of the difficulties mentioned by the Minister as having occurred in the other States and in other countries. In this regard I am pleased to note that the Minister could not give any example, so far as Queensland is concerned, of any company having gone on the wrong side as we have had evidence of in other parts of the world. The implication in the prohibition of any but mutual offices being formed in the future is that the mutual system is inherently virtuous, whereas the proprietary system, or as it is in practice to-day—the purely co-operative system—is wrong. The hon. member for Oxley touched on the proprietary companies, and showed that they were operating as co-operative companies. He also showed quite clearly that the mutual system of insurance is not the most virtuous.

As a matter of fact, the virtue of every life assurance office is in its management. If the management is wrong the insurance office is wrong. If the management is good, then the policy-holders are going to benefit by that good management. Most of the proprietary offices in Queensland to-day are co-operative to the extent that for every £1 profit that goes to the shareholders £4 must be earned to go to the policy-holders. The co-operative system, in my opinion, gives a far greater protection to policy-holders, inasmuch as the policy-holder has the knowledge that the paid-up capital and the unpaid capital stand as security against any claim he may make. Therefore, a co-operative system is just as virtuous—possibly in most cases more virtuous than the mutual system. The implication in this Bill in favour of the mutual system cannot be borne out by the proof of the operations of any life assurance business in Australia. Practically all the life assurance offices that exist in Australia pay what are termed bonuses, and to the policy-holder the better the bonus the better the office is. In looking up the returns of Australian life assurance companies we find that what has been termed to-night one of the finest mutual offices in Australia—the Australian Mutual Provident Society—paid in bonuses last year to its shareholders £2 14s. for every £100 insured. The State Government Insurance Office paid £1 10s. for every £100 insured——

The ATTORNEY-GENERAL: Do you know that no company in the world commenced to pay bonuses as soon as the State Insurance Office?

Mr. BRAND: The Mutual Life and Citizens Company of Australia, a proprietary or co-operative office, paid £3 4s. for every £100 insured. These figures clearly show that the co-operative office or the proprietary office that has been condemned [9.30 p.m.] by the Government is paying a higher bonus to its policy-holders than either the Australian Mutual Provident Society or the State Insurance Office. I did not catch what the Minister said with regard to the State Government Insurance Office, but I understood him to say that it is purely a mutual one. What is regarded as a mutual office is one in which the policy-holders have control of the office.

The ATTORNEY-GENERAL: The people of Queensland have control of the State Government Insurance Office.

Mr. BRAND: The people of Queensland may have control, but the policy-holders have not; therefore, you cannot class it as a mutual office. It is purely a proprietary one which the State Government manage under the direction of the Commissioner. Even your State Insurance Office is a proprietary office which, under this Bill, you are condemning.

The PREMIER: Do you say the State Insurance Office is proprietary?

Mr. BRAND: The system is a proprietary one, and not mutual in its management workings. The hon. member for Oxley referred to the Mutual Life and Citizens' Assurance Company of Australasia. That office is one of the finest assurance offices in this State. I would like to quote an extract from the "Sydney Bulletin," giving the reasons for the success of that company—

> "The management is efficient. Its executive officers are shareholders, and

for every £1 extra profit in which they may share they are obliged to find £4 for policy-holders. That is an inducement to select risks carefully, keep down costs, and get the maximum results from investments.

"However it may be in theory, it does not necessarily follow in practice that a mutual office is a better proposition for the policy-holder than one in which proprietors take a bite. When the old Citizens' Company had proved its efficiency, the Mutual Life Association and the Australian Widows' Fund, two purely mutual offices, were amlagamated with it. Both were sound and highly respectable, but their affairs had run into still waters. The Citizens gave definite undertakings as to costs when the businesses were transferred, but actual results have been far in excess of anticipations. Each year gives larger bonuses in both sections."

The chairman of directors of that company, speaking in Sydney at the annual meeting recently, said that the two mutual offices that had been amalgamated with the old Citizens' Company paid better bonuses to their policy-holders than they had ever received before the amalgamation. The Minister cannot prove that mutual offices or the State Government Insurance Office can pay better bonuses to their shareholders or give greater protection to their shareholders than a co-operative company. I sincerely hope this clause is not going to remain in the Bill and give the existing companies an absolute monopoly of life assurance business in this State, but that the Minister will accept reasonable amendments so that the Bill can be made more effective. Hon. members on this side of the House are out to make the Bill better than it is and one that will give more protection to the future policy-holders in life assurance companies in Queensland.

Mr. KIRWAN (*Brisbane*): It is pleasing indeed to see that an important measure of this kind has met with the criticism that it is entitled to meet. It has been discussed so far practically in a non-party spirit, and in that respect the discussion, perhaps, has some merit. The necessity for the Bill was amply pointed out by the Attorney-General in the course of his address, when he gave this House some very valuable information. I think I am correct in stating that during the last three years no less than twenty new insurance companies have been established in Australia. I think hon. members will agree that the defects which this Bill desires to prevent and the companies it seems to be particularly directed against do not exist in Queensland. We are fortunate in that we have had no insurance disasters—that no companies which have been formed here have not been able to meet their liabilities. Although we have a number of new companies which have recently commenced business in Queensland, let us hope that they will be able to progress, and that nothing will be associated either with their management or their operations that will bring discredit on the men on the directorate or on those connected with the management thereof.

The hon. member for Burrum took exception to the remarks of the Attorney-General in connection with certain companies. I do not think the Attorney-General intended to reflect on any of the companies in Queensland, but there can be no question that in the other States of the Commonwealth and also in Great Britain there is an absolute necessity for restrictive measures. It is generally an accepted axiom that prevention is better than cure, and the object of this measure is to prevent the formation in Queensland of bogus insurance companies such as have existed in the other States of the Commonwealth. I might mention that the Melbourne "Age," in a special article as late as the 19th September of this year, dealing with what they described as the "insurance boom," referred to the bogus companies formed and the outrageous flotation expenses. This paper described the methods adopted by promoters of these companies thus—

"Enterprising but not over-scrupulous individuals with an eye to the main chance are busy exploiting the insurance business in Australia. New insurance companies are springing into being almost every month. Some of them are undoubtedly sound, well-backed, and competently managed concerns; some, on the other hand, are formed with the object of relieving a gullible public of its surplus cash in the interests of callous rogues who wish to amass fortunes overnight."

That is the statement of one of the leading journals of Australia, and certainly the language employed there is much stronger than any suggested by the Attorney-General in his remarks. The hon. member for Oxley doubted my statement about the number of insurance companies that have gone to the wall in Great Britain. A prominent insurance manager in Victoria said—

"He recalled that on 13th February, 1914, 'The Age' drew attention to the heavy losses, amounting to over £1,500,000, suffered between 1907 and 1910 by the shareholders of fourteen British insurance companies which had failed during that period. At the same time, it had been pointed out that of the 574 new insurance companies registered in England in the fifty years ended 1910 only forty with a record of over ten years' operations were still in existence in that year."

That is remarkable. It shows unmistakably that of the large number of 574 insurance companies which had been floated in the fifty years ended 1910 only forty of those companies existed. That tends to show that, even in Great Britain itself, where possibly we might expect the management of these companies to be the most efficient, a large number went to the wall. The extract goes on to say—

"The rest had fallen by the way. He further pointed out that during the three years ended December, 1921, 132 companies had entered the field of marine insurance in England. Of these, 30 companies had gone into liquidation, whilst thirty-two others, it was reported, were about to retire, or were curtailing their business to very small proportions."

That goes to show the necessity for the Bill. The examples quoted by the Attorney-General in regard to flotation go to show that some gentlemen in Australia are making money by promoting these companies. They are not at all interested in establishing sound institutions by getting men who have money to invest and have a sound knowledge of

business to engage in them, but they are simply getting the most they can for themselves and leaving the shareholders to their fate. The Government are to be congratulated on being the first Government in the Commonwealth to bring in this legislation. At the present time there is an agitation in New South Wales and Victoria, the Governments of which States are being pressed in the direction of introducing a similar Bill. I feel quite satisfied that, when the general principles outlined in this Bill have become known throughout the Commonwealth, they will be favourably received by the financial experts who are competent to criticise a measure of this kind. We shall find that, when other States bring forward legislation in this direction, the Queensland Act will be the foundation upon which that legislation will be built. I have much pleasure in supporting this measure and in being a supporter of a Government which will have the honour of being the first Government in Australia to deal with this much-needed reform. (Hear, hear!)

Mr TAYLOR (*Windsor*): I beg to move the adjournment of the debate

Question put and passed.

The resumption of the debate was made an Order of the Day for Tuesday next.

The House adjourned at 9.44 p.m.