

been done approaching what we have done on a per capita basis, and no Government has ever taken the responsibility we have in an endeavour to shoulder the expense of the campaign against the grasshopper.

Mr. Doney: Has the pest been as bad here as it has in the other States?

The MINISTER FOR AGRICULTURE: It is contended that it has been worse in New South Wales. We were guided by the impoverishment of the farmers in whose districts the outbreak occurred. Had we adopted legislation similar to that passed in South Australia, which meant imposing a rate on all these properties, the collection of the rate making possible the distribution of poison and bait, not much poison baiting would have been done in this State.

Hon. P. D. Ferguson: Many holdings would have been abandoned.

The MINISTER FOR AGRICULTURE: The Government did the right thing in not introducing such legislation at that stage, for it would have meant additional hardship upon the settlers, particularly in the areas which have suffered so much in recent years.

I should like to refer to the banana industry at Carnarvon. Despite drought conditions, it is remarkable that the industry should have developed so well. In no other part of the world are bananas grown solely under irrigation as is done at Carnarvon. It is very encouraging to note the expansion of the industry, especially as no rain at all has fallen in the district in recent times. In their natural habitat bananas require a 90-inch rainfall, while in this State we are growing the fruit in a rainfall which over the last 40 years has averaged 9 inches. Had it not been for the persistence and hard work of those engaged in the industry, despite the dreadful weather conditions and difficulties they had to overcome in securing their water supplies, we would never have had the production last year of 16,000 cases of the fruit. This year the anticipation is, despite the dry season, that the production will be increased to a considerable extent.

Hon. P. D. Ferguson: The quality has also improved.

The MINISTER FOR AGRICULTURE: Yes, because of the greater knowledge that has been acquired of the unusual conditions. When these facts are mentioned in countries that are adapted to the growing of bananas in a natural way, and when people are told that we are growing the fruit where there is

no rainfall, it is difficult to make them believe the facts. People who are growing crops under unnatural conditions are faced with the difficulty of knowing at what stage in maturity the fruit will carry best, and at what stage prior to maturity the crops should receive full irrigation. We are conducting experiments in this respect, and hope to draw successful conclusions from them.

Many problems are being investigated by the department, including the very important problem of soil erosion. Several committees are operating in conjunction with the officers of the Minister for Lands and those of the Minister for Works. They are dealing also with problems affecting irrigation and crops grown under irrigation. I am sure members will agree with me that, generally speaking, the department is doing excellent work for the State.

Progress reported.

*House adjourned at 10.36 p.m.*

## Legislative Council,

*Wednesday, 28th September, 1938.*

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

### QUESTION—WATER SUPPLIES.

*Goldfields Branch, Report.*

Hon. H. SEDDON asked the Chief Secretary: Will the Minister lay on the Table of the House the report of the Gold-

fields Water Supply Branch for the year ended the 30th June, 1938?

The CHIEF SECRETARY replied: A report for the last financial year, together with necessary statements, will be tabled during the current session.

## **BILL—STATE GOVERNMENT INSURANCE OFFICE.**

### *Second Reading.*

Debate resumed from the previous day.

**HON. L. CRAIG** (South-West) [4.38]: I have been sorry to hear the speeches made on the Bill so far. It must be borne in mind that the measure is vastly different from that submitted in previous years. Further, we must remember that a select committee of another place inquired into last year's Bill, and that the provisions contained in the present measure were unanimously agreed upon by that select committee. In my opinion, this House should be careful—lest we make a rod for our own backs—in regard to rejecting the Bill on second reading. This measure does not propose to deal with any insurance business except workers' compensation, personal accident and sickness, apart from validating business already accepted. It does not propose to interfere with other forms of insurance. In this Chamber the claim has been made that the Bill in itself creates a monopoly. That is not so. The Bill does not create a monopoly nor does the Government intend, I understand, that a monopoly shall be created. That is rather important.

**Hon. C. F. Baxter:** How can it be avoided?

**Hon. L. CRAIG:** It can be avoided. I am just as perturbed at the prospect of a monopoly being granted to the State Insurance Office as is any other member of the House. I feel convinced, however, that a monopoly can be avoided under the Bill. If the Bill becomes an Act, the State Insurance Office will be in exactly the same position as any other incorporated insurance office operating in the State to-day; that is, it will be an office capable of being approved by the Minister under Section 10 of the Workers' Compensation Act. The Minister will legally be able to approve of the State Insurance Office for the purposes of that Act. That is all the Bill does. The claim is made, however, that the Minister could

approve of the State Insurance Office solely. I admit that that is so. The Minister, if he so desires, can say, "I approve of the State Insurance Office and of that office only." However, if the Bill passes the second reading, I propose to move in Committee to add a proviso to Clause 9, which reads—

The State Government Insurance Office, as established by this Act, shall be deemed to be an incorporated insurance office capable of being approved by the Minister within the meaning and for the purposes of section ten of the Workers' Compensation Act, 1912-1934.

A proviso could be added to Clause 9 making it compulsory for the Minister to approve of other incorporated insurance offices.

**Hon. H. S. W. Parker:** Why not delete Clause 9?

**Hon. L. CRAIG:** If that were done, the State Insurance Office would not be made an incorporated body, and so the Minister could not approve of it.

**Hon. E. H. Angelo:** An amendment was moved to that effect, but not agreed to.

**Hon. C. F. Baxter:** What will happen when the Bill is returned to another place?

**Hon. L. CRAIG:** Then another place can throw out the Bill. I ask members what will happen if a change of Government occurs? Do those members who are opposing the second reading really believe that the State Insurance Office will be abolished?

**Member:** They hope so.

**Hon. L. CRAIG:** I do not think one member of this House honestly believes that the State Insurance Office will be abolished.

**Hon. H. S. W. Parker:** I am one who does.

**Hon. L. CRAIG:** It is quite impossible. Private insurance offices would not accept the liabilities that have been built up during the last 12 years for miners' diseases.

**Hon. L. B. Bolton:** That is special business.

**Hon. L. CRAIG:** The fact must be borne in mind that for three of the 12 years that the State Insurance Office has been in existence, another regime was in power and no attempt was made by it to abolish the State Insurance Office.

**Hon. G. Fraser:** That is the answer to the hon. member's question.

**Hon. C. F. Baxter:** An attempt was made.

**Hon. L. CRAIG:** What attempt was made?

**Hon. C. F. Baxter:** A Bill was brought before Parliament.

Hon. L. CRAIG: That is news to me.

Hon. C. F. Baxter: It may be, but it is true.

Hon. L. CRAIG: No effort was made by other insurance offices to quote for insurance against risk of miners' diseases during the regime mentioned. We should be very careful. Section 10 of the Workers' Compensation Act provides that every employer shall insure with an incorporated insurance office to be approved by the Minister. The Bill merely provides that the State Insurance Office shall be an incorporated insurance office for the purpose of the Workers' Compensation Act. As such, it would be subject to approval by the Minister. I point out also that the State Insurance Office has, during the last 12 years, built up a reserve of over £402,000. I remember that last year members questioned whether that reserve was genuine, that is, whether it was a reserve built up out of premiums. To satisfy myself on that point, I looked up evidence given by the Under-Treasurer which I will read to the House. In giving evidence before the select committee, the Under-Treasurer, Mr. Reid, said that at the end of August, 1937, the fund held in reserve to meet eventualities—principally claims made for occupational diseases—amounted to £402,519.

Hon. J. A. Dimmitt: What is the contingent liability against that?

Hon. L. CRAIG: That is the point. What is the contingent liability? What private office would accept that contingent liability without this reserve? Not one private office in the State would be prepared to do so. The contingent liability has been incurred over a number of years and no private office would agree to accept it.

Hon. G. Fraser: Private offices would not accept the liabilities even with the reserve.

Hon. L. CRAIG: I am aware of that. The State Office has grown to such an extent that the incurring of those contingent liabilities was impossible to avoid. Whatever Government is in power, I say it would not be prepared to abolish the State Insurance Office. Other evidence given before the select committee shows how the fund was being increased, the increase being the difference between the payments made for workers' compensation and the actual premiums received, less administration expenses. In addition, an amount of £25,000 a year is being paid by the State Insurance Office to the Treasury for reasons which were explained by more

than one witness at the select committee. The Under-Treasurer, in giving evidence on this point, said—

This is a long and involved story. You are aware that when a man in the mines is suffering from T.B. he is immediately withdrawn under the Miners' Phthisis Act. Most of the men are compensated under the Miners' Phthisis Act. The great majority of these men, in addition to suffering from T.B., also suffer from silicosis, which is one of the industrial diseases under the Third Schedule under the Workers' Compensation Act. If they were not withdrawn from the mines on account of suffering from T.B., they would ultimately become claimants under the State Insurance Office.

That is important. The evidence continues—

The compensation under the Miners' Phthisis Act to men withdrawn from the mines is paid out of Consolidated Revenue. I do not know how it originated—whether Mr. Bennett suggested that he might relieve Consolidated Revenue of part of that liability or whether the Treasury spoke to him. I think he suggested that a sum of £10,000 might be paid each year from the State Insurance Fund to Consolidated Revenue. I believe that was the amount taken. Calculations made in the Treasury showed that the liability of which the State Insurance Office was being relieved was very much greater than £10,000.

Hon. E. H. Angelo: That is not out of premiums.

Hon. L. CRAIG: That has now been re-funded by the State Insurance Office. If the State Insurance Office is abolished, what institution, organisation or insurance company would undertake that liability? None that I know of, and none that any member of this House can name.

Consequently, the £10,000 was increased to £25,000, and that amount has been taken for the past five or six years.

Members should give these matters serious consideration before resolving to throw out a Bill of this kind on the second reading.

The Treasury feels that it is entitled to take that money from the State Insurance Office in respect of those men who, if not compensated from Consolidated Revenue, would have been a burden on the State Insurance Office.

If the State Insurance Office is abolished, those men will be compensated out of Consolidated Revenue.

Hon. W. J. Mann: The position will be just the same, whether the Bill is passed or not.

Hon. L. CRAIG: That is what I am trying to point out, and what I pointed out last

year. The Bill has been submitted in a very moderate form, and it merely embodies provisions agreed to unanimously by the select committee of another place last year.

Hon. J. J. Holmes: Another place does a lot of things that we do not approve of.

Hon. G. Fraser: And we do a lot of things that another place does not approve of.

Hon. L. CRAIG: Let me revert to the question of monopoly. The Solicitor General gave evidence to the select committee, and it is well to hear what he had to say on that point. Mr. Baxter, when speaking yesterday, said this Bill in itself created a monopoly. Nothing of the sort! A question was put to the Solicitor General as follows:—

I think it has been suggested that Clause 8, as at present worded, is likely to give the State Insurance Office a monopoly of lawful workers' compensation business, unless the Minister decides to approve of some other insurance office, which I believe up to the present has not been done. Have you any opinion on that subject?

The Solicitor General replied—

This clause would only operate in relation to the State Government Insurance Office, so that, without any further approval, it would be an office within the language of Section 10 of the Workers' Compensation Act. How far that may operate to give a monopoly to the State Government Insurance Office is not a matter of law, but purely a question of policy. That is to say, if the Minister refuses to give approval to any other company or incorporated office conducting workers' compensation insurance, it would not be this section that would create a monopoly but the act of the Minister. I hope that statement will clear up the question of this measure creating a monopoly for the State Insurance Office.

Hon. J. J. Holmes: It does, if the Minister so desires.

Hon. L. CRAIG: That is so; but in Committee I propose to move an amendment that the Minister shall give approval to the State Insurance Office, subject to giving approval also to other incorporated offices.

Hon. E. H. Angelo: Why not do it through the Workers' Compensation Act?

Hon. L. CRAIG: Suppose this Bill were passed, there is no guarantee that that Act will be amended.

Hon. E. H. Angelo: Then do not pass this Bill until the other measure is put right.

Hon. L. CRAIG: We can put it right under this Bill. Mr. Angelo has made up his mind to oppose the Bill willy-nilly.

Hon. J. J. Holmes: And you have made up your mind to support it, so where is the difference?

Hon. L. CRAIG: I am giving valid and logical reasons for supporting it. Any statement I have made has been backed with proof. This House will be doing something dangerous if it throws out the Bill, seeing that the State Insurance Office must be continued. I am no more enamoured of State trading concerns than is any other member, but I can see the writing on the wall and can recognise what is fair and just. The miners had to be protected, and at the time there was no way to protect them except by the State's undertaking the insurance. I have not been approached, nor have I heard of any other member having been approached, by a representative of any of the private insurance companies or other organisation with the object of having the Bill defeated. A man who holds a prominent position in two of the largest companies in this State told me he had no objection to the measure, or to the provisions dealing with workers' compensation. If the insurance companies had a free go to-day, I am satisfied that not one of them would quote for miners' diseases. The Minister pointed out that the State Insurance Office is receiving £90,000 per annum more by way of premiums for workers' compensation insurance than are all the insurance companies combined. I hope that members who are fair and who have an eye to the future when there may be a change of Government—if they are so tied to party opinions—will seriously consider the position and at least agree to the second reading. Then, to ensure that no monopoly shall be created, we can amend the Bill in Committee in a direction that I consider very necessary. I support the second reading.

HON. H. S. W. PARKER (Metropolitan-Suburban) [4.56]: This Bill, although termed a State Insurance Office Bill, is not concerned with insurance in the ordinary sense of the word. The Workers' Compensation Act is a charge on industry that has to be paid, and, I think, rightly so, to ensure that an injured worker does not become a burden upon the State. In one sense

that insurance is compulsory, and properly so. I intend to support the second reading of the Bill, but I consider that the clause permitting the State Insurance Office to be regarded as an incorporated insurance office should be deleted. The effect would then be that an employer might insure, as now, with the State Insurance Office or with any insurance company. At present there is no approved insurance office and the State Insurance Office would carry on as in the past. To insure employees under the Workers' Compensation Act is not compulsory.

Hon. L. B. Bolton: It should be.

Hon. H. S. W. PARKER: Of course. I should like to see the Workers' Compensation Act amended by deleting the words in Section 10, "an incorporated insurance office approved by the Minister." Then insurance would automatically become compulsory, and people might insure with a company or with the State Insurance Office.

Hon. L. Craig: But there is no guarantee that you could amend the Act.

Hon. H. S. W. PARKER: We do not want a guarantee, provided we delete Clause 9. If an employer elects to carry his own insurance, he is personally liable.

Hon. L. Craig: What about the man of straw?

Hon. H. S. W. PARKER: That is the unfortunate part. Under the previous regime, a comprehensive Bill was introduced to make provision for that very thing, but the measure was defeated. I do not know whether it even reached this Chamber. However, I am still in favour of that comprehensive measure, under which everyone would have been compelled to pay an assessment, equivalent to what is termed a premium, and the injured worker would have applied to the department controlling the fund, and received payment according to the rates set out in the Workers' Compensation Act, irrespective of whether the employer had paid the assessment or not. It was an excellent Bill, but it was not passed. The measure before us represents the next best thing. The State Government desires to carry on certain insurance business and I can see no valid objection to its request to be permitted to provide for so-called industrial insurance. I agree with that proposal. When the Bill is considered in Committee

I shall certainly vote against the inclusion of Clause 9.

Hon. L. Craig: Why not add a proviso?

Hon. H. S. W. PARKER: There is no need for a proviso. All that is necessary is a short Bill to amend the Workers' Compensation Act and make the position compulsory. I am sure the Government does not intend, by means of this Bill, to create an absolute monopoly. If so, the proposal would be definitely and distinctly set out. I do not for one moment think the Government would go behind the backs of members, leaving them entirely in the dark, to approve of the State Insurance Office only and deny approval to insurance companies. I am convinced the Government would not do that. In those circumstances there is no necessity for Clause 9, but a small amendment should be made to Section 10 of the Workers' Compensation Act eliminating a few words, the effect of which would be to make such approval compulsory.

**HON. J. NICHOLSON** (Metropolitan)  
[5.1]: On each occasion when such a legislative proposal as that now under discussion has been placed before the House I have consistently opposed it, on the ground of the objection I hold to the extension of State enterprises. We quite recognise the situation that had arisen when the State Insurance Office was established. The position was awkward. The Government of the day felt compelled, in the circumstances then existing, to undertake the responsibilities under the Workers' Compensation Act attached to the insurance of men working in the mines. That was fully explained at the time. A controversy raged between the representatives of the associated insurance companies and the Government, and members will recall the allegation that the Government of the day had refused to give information to the insurance companies that was regarded as essential to enable them to form estimates for the purpose of quoting for this particular class of insurance.

Hon. H. Seddon: Information that the Minister had at his disposal.

Hon. J. NICHOLSON: Yes. If we review the early history of the trouble, we can appreciate the reason why members of this House have consistently opposed any proposal by the Government to extend its activities in the field of insurance. Even at

this stage, I am still determined to oppose the granting of the powers proposed in the Bill to enable the State Insurance Office, as an incorporated body, to carry on insurance work. I regard the proposal as bad from whatever standpoint it may be viewed. This class of work can much better be undertaken by the companies that make it their special business, and it certainly is not a function generally associated with the activities of a State Government. The more we extend these powers to Government departments, in all probability the more shall we be asked still further to extend them; and so stronger reasons may be advanced to-day against this Bill to prevent similar measures being placed before us in future. While keeping these facts in mind, I admit that on this occasion the Bill is much more moderate and provides for less extensive powers than were sought on previous occasions.

Hon. H. Seddon: Have you read Clause 2?

Hon. J. NICHOLSON: I admit that the Bill, while being less extensive in its proposals, contains certain words that, when read with Clause 6, may possibly be construed as enabling the State Insurance Office to continue operations in many other branches of insurance work, and not merely to confine activities to those referred to in paragraph (b) of Clause 2. If the Bill reaches the Committee stage, amendments may be necessary to prevent the State Office from embarking upon business that clearly is not contemplated. Mr. Craig was under the impression that the operations of the State Office would be confined to the activities mentioned in paragraph (b) of Clause 2.

Hon. L. Craig: And to sickness and accident business. It may include third-party risks, which we may provide against.

Hon. J. NICHOLSON: If Mr. Craig will read Clause 6 in conjunction with the paragraph at the end of paragraph (b) of Clause 2, he will see how the scope of the business could be extended. For instance, we know that the State Insurance Office already undertakes fire insurance, guarantees and other classes of risks, and the suggestion has been made that no other company will undertake insurance against miners' diseases. I seriously question that contention. I am inclined to think that since the State Insurance Office was first established, various private companies

that are not included in the circle of associated organisations but are quite independent, are prepared to undertake those risks and, in fact, do undertake them. I am informed that the State Insurance Office actually reinsures with one of those companies.

Hon. L. Craig: Not miners' insurance.

Hon. J. NICHOLSON: Yes. I understand miners' risks are reinsured. That being so, it seems wrong to make such a statement. I draw attention to the point because, if that be so, then there is no need for the Bill at all. If the private insurance companies are prepared to undertake the work, we should vote against the Bill and act consistently with our attitude in previous years. If we are not in favour of State trading, we should vote against the Bill. I am opposed to State trading because it is bad in principle and is no function of government. I will not vote for the Bill, and I hope Mr. Craig will not.

Hon. L. Craig: I will.

Hon. J. NICHOLSON: I hope he will not do so until a suitable amendment is duly made to Section 10 of the Workers' Compensation Act.

Hon. L. Craig: Why not in this Bill?

Hon. J. NICHOLSON: The position cannot be safeguarded by way of an amendment to the Bill now before the House. I shall oppose it so long as Section 10 remains in the Workers' Compensation Act in its present form. I desire to see that section amended, and a fair field provided for all insurance companies, with no power delegated to the Minister to determine which, if any, company he will approve.

Hon. L. Craig: That can be done in this Bill.

Hon. J. NICHOLSON: I respectfully claim it cannot be done. We cannot amend the Workers' Compensation Act by inserting a provision in a Bill that deals with the State Insurance Office. These are my views and until I can be satisfied on the points mentioned, I cannot possibly support the Bill.

HON. E. H. ANGELO (North) [5.13]: Many years ago, when I was a member of another place, a State Insurance Office Bill was presented for the approval of Parliament. That measure was very different from the one now under consideration. In those

days the Government's desire seemed to be to wipe out all insurance companies and to reserve that class of business for the Government. Since I have been in this House, Bills of a somewhat similar nature have been introduced almost annually, but with each successive measure the provisions seem to have been modified.

Hon. L. B. Bolton: In 10 years' time the Bill may be satisfactory.

Hon. E. H. ANGELO: Now we have a Bill before us that deserves a little consideration. I will go so far as to say that if the Bill asked Parliament to validate the past operations of the State Insurance Office and to consent to the Government carrying on its own insurance, such as fire insurance for its own buildings, workers' compensation for its own employees, and even accident insurance for its employees—

Hon. L. B. Bolton: You cannot prevent anyone from doing that.

Hon. E. H. ANGELO: —I would vote for the second reading to-morrow. I think every person, if he so wishes, has a right to take out his own insurance.

Hon. L. Craig: He can do that now.

Hon. E. H. ANGELO: If the Government merely intended to validate the past transactions of the State Insurance Office, to put everything in order in that respect and perhaps to be allowed to carry on its own insurance in other directions, I would raise no objection. However, while the Bill contains the two objectionable clauses referred to by Mr. Parker, I cannot vote for it. I do not understand why the Government desires to undertake accident insurance. All the insurance companies—those in the association and a half a dozen or more outside the association; the fire insurance companies, and the life insurance companies—are willing to undertake that business. They are all doing so.

Hon. L. Craig interjected.

Hon. E. H. ANGELO: Perhaps I know more about that aspect than does the hon. member. These companies do that work.

Hon. H. Tuckey: Are all the rates the same?

Hon. E. H. ANGELO: Some companies are not members of the association, and the hon. member can rest assured that when there are half-a-dozen or more companies not in the association, those that are members have to keep down their rates. I have been insured against accident for years and

I have not complained about the premium.

Hon. L. Craig: You have a special rate.

Hon. E. H. ANGELO: I have no such thing; I pay the same as anybody else. The other objectionable clause has been mentioned by previous speakers and I would rather accept the opinion of Mr. Parker and Mr. Nicholson than that of Mr. Craig.

Hon. L. Craig: I quoted a K.C.'s opinion.

Hon. E. H. ANGELO: I would rather accept the opinion of our two legal members than the other opinion. As a matter of fact, we must respect the decision of the Speaker of the Legislative Assembly on a previous occasion when he rejected an amendment somewhat on the same lines as that suggested by Mr. Craig. I do not know whether Speakers and Presidents generally support each other, but we might have an amendment to that effect rejected here too late for matters to be put right. I therefore hope that we shall have the suggested amendment to the Workers' Compensation Act before us previous to the vote being taken on the second reading of this Bill.

The reserve fund that has been built up has been mentioned by Mr. Craig. For several years I have prepared speeches dealing with those figures, simply to show that the claims of the Government as set out in the second reading speeches were not in accordance with facts. On every occasion I have quoted from the Auditor General's report.

Hon. L. Craig: I would accept the opinion of the Under-Treasurer rather than that of the hon. member.

Hon. E. H. ANGELO: The trouble is that the State Insurance Office has been receiving premiums and contributions under the miners' diseases provision and has been paying a large portion of the claims out of consolidated revenue.

Hon. L. Craig: The amounts have been refunded.

Hon. E. H. ANGELO: To the extent of £25,000 a year. The two accounts are so intermingled that no registered accountant could tell exactly what is the true position. I had two or three chartered accountants on the job and they told me that the Government's method of bookkeeping was beyond them.

Hon. W. J. Mann: What did the Auditor General say?

Hon. E. H. ANGELO: The Auditor General quoted the figures relating to premiums

received and claims paid, and on the following pages showed how much of the amount paid in claims was met from consolidated revenue.

Hon. W. J. Mann: Did he indicate the loss?

Hon. E. H. ANGELO: No; he gave the actual figures.

Hon. J. Nicholson: There was to be taken into account the contingent risk that he could not estimate.

Hon. E. H. ANGELO: That is so. He could not estimate the risk. He said so. Mr. Craig asked what would be done about miners' diseases if there were no State Insurance Office. Why should not the example of other departments be followed? Why should not a fund be created, to be administered by the Mines Department?

Hon. L. Craig: That is all State insurance does.

Hon. E. H. ANGELO: It need not be called a State Insurance Office. Mr. Craig wants to know how the scheme would be worked. How is the vermin fund operated? Contributions are received by the Department of Agriculture and all claims and costs are paid by that department out of the fund so created. If money is scarce the contributions are increased. The mines and the Government could contribute to a fund for the miners. The Government says these miners have to be compensated. Very well, why should not a fund be established under the control of the Mines Department? That would obviate the necessity for a State Insurance Office.

The Chief Secretary: What is your objection to the office?

Hon. E. H. ANGELO: I said in the beginning—I am sorry the Chief Secretary was not here at the time—that I could agree to the Bill if it merely provided for the validation of past transactions of the State Insurance Office and for the Government to undertake governmental insurance of all kinds, such as fire and marine insurance and workers' compensation.

Hon. J. M. Macfarlane: And the insurance of governmental buildings.

Hon. E. H. ANGELO: Yes.

Hon. L. Craig: What about the miners?

Hon. E. H. ANGELO: The miners could be provided for. I have pointed out how that could be achieved without a State Insurance Office, namely by the establishment of a fund. Such a Bill as I have outlined

would meet with my approval, but I am opposed to this Bill because of the two objectionable clauses it contains. In the first place I will not agree to the State Office undertaking accident insurance, and secondly I desire a guarantee that the State Office is not to be given a monopoly of workers' compensation business.

Hon. L. Craig: It will not be.

Hon. E. H. ANGELO: I cannot accept Mr. Craig's assurance. If Mr. Parker and Mr. Nicholson had given me the assurance I might have been convinced, as I value their opinions.

Members interjected.

The PRESIDENT: Order!

Hon. E. H. ANGELO: Mr. Craig is putting me off the track again. Perhaps the House does not realise that the Workers' Compensation Act entails a considerable amount of clerical work. Every claim has to be carefully watched day after day. The doctors' accounts have to be constantly checked and I am assured that at least 60 per cent. of the clerical work of every insurance company is connected with the workers' compensation section of its business. Members will thus realise that if the State Office were to obtain a monopoly of this class of insurance, about three or four hundred men might be thrown out of employment. That is not an exaggeration.

Hon. L. Craig: Who is suggesting there will be a monopoly?

Hon. E. H. ANGELO: The Bill makes a monopoly possible. Unless we can alter the relevant clause the Government will be able to create a monopoly as soon as the Bill becomes law. Why has not the Government approved of other companies doing this work? The Government has always declined to approve any other company, and not one company is so approved to-day. The Minister in another place said it was not intended to establish a monopoly. We have his assurance to that effect, but I remind members that Ministers come and Ministers go. Mr. Hawke might be appointed Agent General next week and we might have in charge of the department another Minister who would not honour that assurance. I desire to see that amendment to the Workers' Compensation Act passed by this House before I can consider giving my support to this Bill.

HON. G. FRASER (West) [5.25]: My remarks will be few. This matter has been thrashed out session after session and I can-



not understand why some members adopt the mulish attitude of refusing to face the facts. The facts are these: Whether we like it or not, the State Insurance Office was forced upon us in the first place because certain workers in this State had to be insured against disease.

Hon. J. J. Holmes: We do not admit that.

Hon. G. FRASER: Some people will not admit anything, no matter what facts are placed before them. Before the establishment of the State Insurance Office, either insurance companies would not accept certain risks in relation to those engaged in the mining industry or they made the premiums so high as to be prohibitive. Because of that and the necessity for protecting the workers, the State Office was established.

Hon. H. Seddon: Do you say those are the facts?

Hon. G. FRASER: As I understand them, yes.

Hon. H. Seddon: Read the report of the select committee.

Hon. G. FRASER: Those are the conditions, as far as I remember them, that prevailed previous to the establishment of the State Insurance Office. Either no quotes were given or the quotes were so high as to make insurance impossible.

Hon. J. M. Macfarlane: Read what the select committee said.

Hon. G. FRASER: Because it was necessary that protection should be afforded the workers concerned, the State Office was brought into being. Although Mr. Nicholson has said that there are insurance companies prepared to undertake such business I have yet to learn of one company that will do so. For the further protection of those workers the continuance of the State Office is necessary, whether this measure is passed or not. But members refuse to face the fact that certain liabilities have been incurred and have to be faced. The State Insurance Office is here to stay whether members like it or not.

Hon. A. Thomson: Then why ask for it to be legalised? Why bother about it?

Hon. G. FRASER: Because it is necessary to give the office legal standing.

Hon. A. Thomson: But you say it is here to stay, whether we like it or not.

Hon. G. FRASER: That is so. Therefore, why not legalise it? It is time members realised that the State Insurance Office is here to stay; and, that being so, the Bill ought to receive the approval of Parliament.

Mr. Baxter said he made an attempt when he was in power to have the office abolished. I do not recollect that, but I accept his assurance. He added that he was unsuccessful. Consequently, Parliament must surely have approved of the office. If Parliament refused to abolish the office, Parliament must have favoured it. Yet, though the office has been in existence for 12 years, members refuse to legalise it, and the only objection some of them raise is that they are not prepared to endorse State trading. The office was established through sheer necessity.

Hon. J. J. Holmes: In this case necessity knows no law.

Hon. G. FRASER: Because of necessity the office was brought into being. After 12 years some members are still unprepared to give it legal status, notwithstanding that quite a large liability has to be met. By the passing of this measure we also want the compulsory clauses of the Workers' Compensation Act put on a satisfactory footing. If this Bill is passed, that Act can be brought into operation in the manner intended by Parliament.

I cannot understand the objection to this office on the ground of its being a State trading concern. It shows to what ridiculous lengths members will go, as exemplified by the previous speaker. He spoke of the extent to which he was prepared to endorse anything in the way of insurance by the Government. If ever there was an instance of the difference between tweedledum and tweedledee, it was that. Apparently the State Insurance Office can carry out the functions it has carried out in the past, and the hon. member would be prepared to vote for that, but because the office possesses the title of State Insurance Office, notwithstanding that it will continue to carry out the functions it has always carried out, he refuses to give the Bill his blessing. That is typical of the attitude of members to the measure. The State Insurance Office stepped into the breach with respect to diseases in the mining industry. What would have been the position if mining companies had not been able to insure, but had been obliged to carry the liability themselves?

Hon. J. J. Holmes: I think they have always carried this liability.

Hon. L. B. Bolton: Do they not carry it now?

Hon. G. FRASER: No; the State Insurance Office relieved them of the responsibility of carrying it. Unless the office had been established and carried that liability, undoubtedly grave injustice would have been done. Only in a few instances could mining companies have carried the responsibility.

Hon. H. Seddon: They are carrying it now and paying premiums.

Hon. G. FRASER: That cannot be compared with what they might have had to face if they had had to bear the whole burden.

Hon. H. Seddon: They are carrying more than that, too.

Hon. G. FRASER: No private company was prepared to launch out in a dangerous venture such as mining without some protection from an insurance office.

Hon. H. Seddon: The companies are carrying the burden.

Hon. G. FRASER: They are paying the premiums, and if these are spread over the whole area they must be fairly light. I am sure the hon. member would not be prepared to put money into a company that did not enjoy all the protection obtainable by the payment of premiums to cover its obligations.

Hon. J. Cornell: Mr. Seddon is all right. He will vote for the second reading.

Hon. G. FRASER: His attitude does not point that way. I should be surprised if any member from the goldfields voted against the Bill. They at least should know the good work that has been done by the State Insurance Office, the necessity for carrying it on, and for giving it legal status. I cannot understand the attitude of members. I had hoped that by this time they would see the light of day, and that if they were not in favour of any other State trading concern, they would appreciate the necessity for giving support to the State Insurance Office. I support the second reading.

HON. L. B. BOLTON (Metropolitan) [5.35]: I fear I shall be another of those whose attitude Mr. Fraser cannot understand. My opinion coincides with that of Mr Nicholson, and is just as emphatic as his. Either we must be in favour of State trading concerns or must be opposed to them. Very definitely I am opposed to them. Every session since I have been in the

House a State Insurance Bill has bobbed up, and has bobbed down again, out of this Council. I hope on the present occasion the Bill will be defeated on the second reading. Although the measure has been somewhat modified as compared with that of last session, it is not yet sufficiently altered in characteristics to receive my endorsement.

Much has been made of the statement that the State is carrying the burden of accidents and disease in the mining industry. I repeat the interjection I made that this State is not carrying the burden. The mining community itself is carrying it, through the premiums that are being paid either to the State Insurance Office or other insurance offices. The industry is meeting that liability. If higher premiums are required the industry will have to be prepared to pay them. It is well able to do so, and is taxed only fairly. Definitely the industry is carrying the burden that a number of members in favour of the Bill claim is being carried by the Government. Another dangerous provision is that which gives only the Minister the right to approve of insurance offices. Section 11 of the Workers' Compensation Act, 1924, reads:—

It shall be obligatory for every employer to obtain from an incorporated insurance office approved by the Minister a policy of insurance for the full amount of the liability to pay compensation under this Act to all workers employed by him.

This refers to an office approved by the Minister. Possibly he may not approve of the State Insurance Office only. As has been said, Ministers come and Ministers go. The present Minister may approve of a number of insurance offices, but it will be within his power to approve of the State Insurance Office only, and thus create the monopoly of which we are all so much afraid. The question has been thrashed out on the floor of the House session after session. I am definitely opposed to the Bill in its present form, and will vote against the second reading.

On motion by Hon. J. M. Macfarlane, debate adjourned.

## BILL—HEALTH ACT AMENDMENT.

### Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [5.40] in moving the second reading said: This small Bill has

been brought forward at the request of various local authorities that desire to exercise greater supervision over a certain class of establishment admitting boarders. In recent years there has been an increasing tendency for people to let rooms to boarders, but local authorities are handicapped in ensuring the supervision of such premises owing to the fact that their registration as boarding houses is not compulsory unless they cater for more than six persons. The Bill simply proposes to amend the definition of the term "boarding house" to include any establishment catering for "four or more" persons. This should enable the health officers of the local authorities to exercise a greater degree of supervision than has been possible in the past. The Bill will apply particularly to places like Bunbury and Geraldton.

Hon. J. J. Holmes: Why not Fremantle?

The HONORARY MINISTER: It will apply to Fremantle to a lesser degree. People go to these pleasure resorts during the summer. The whole idea of the Bill is to bring about the registration of those premises in which there are four or more boarders and enable health inspectors to trace more readily any such establishment. The boarders themselves will receive more protection and the supervision of the establishment from the health point of view will be more readily accomplished. The measure will bring all such places into line so that they may be effectively controlled during the rush season. The definition in the Act that we propose to amend reads—

"Boarding-house" means and includes any house, tent, or edifice, building or other structure, permanent or otherwise, and any part of such premises (not being premises licensed under a Publican's General, Wayside House, or Hotel License) in which more than six persons, exclusive of the family of the keeper thereof, are lodged or boarded for hire or reward from week to week, or for more than a week.

There was a general demand that all boarding-houses be included in this piece of legislation, but the Government decided to limit the amendment to those establishments having four or more boarders.

Hon. H. Tuekey: Who made the demand?

The HONORARY MINISTER: The local authorities have made repeated requests.

Hon. A. Thomson: Which ones?

Hon. J. Nicholson: I have not had any requests of this sort.

The HONORARY MINISTER: I am informed that the department has been bombarded by local authorities for legislation of this kind. I hope members will agree that the measure is necessary. I move—

That the Bill be now read a second time.

HON. H. SEDDON (North-East) [5.43]: I hope the House will hesitate before passing this Bill. I believe that many people will find their livelihood interfered with. Quite a number of widows on the goldfields are keeping a few boarders and by those means eking out some sort of living. If the Bill is passed they will be robbed of their income.

Hon. G. Fraser: Not at all.

Hon. H. SEDDON: Yes. The number of persons constituting a boarding-house will be reduced from six to four.

The Honorary Minister: This provides for registration only.

Hon. H. SEDDON: Many people who can now carry on will be unable to do so if the Bill is passed.

Hon. G. Fraser: Why not?

Hon. H. SEDDON: Because of the restrictions imposed upon them being similar to those imposed upon large boarding-houses. A man and his wife may take four children to the seaside and find lodgings. Immediately the house becomes a boarding-house according to the definition in the Bill. In the circumstances members would be wise to consider the position seriously before passing such a measure. For my own part I shall oppose the second reading.

HON. J. CORNELL (South) [5.45]: I am inclined to think that many of the suggested alterations are based more or less on a bird's eye or narrow view of the situation. We have boarding-houses in the metropolitan area versus boarding-houses in the country and on the goldfields. Very often they are two entirely different propositions. On the goldfields the occupants of boarding-houses are nearly all working miners or men connected with mining. They would infinitely prefer to have merely a room in which to change, to sleep on the verandah and have bathroom facilities than be forced into a particular room because of the passage of this Bill. There may be something to commend the measure from the point of view of boarding-houses in the metropolitan area,

but in many goldfields towns it would not get a good reception. The Honorary Minister recently had a trip to Norseman. I think he was enlightened as to the class of house in which the miner there is forced to live. Very often it is a matter of a miner having to take any accommodation available. I have a decided objection to overcrowding boarding-houses in the metropolitan area, or indeed any other type of house, but when we come to the expenditure of money on the building of homes on the goldfields, we are dealing with a delicate situation.

The Chief Secretary: Is it not a matter for the local authority under the Bill to meet the health requirements of the district?

Hon. J. CORNELL: Why does the Minister want to reduce the number of boarders constituting a boarding-house from six to four? The health authorities are doing the best they can. There should not be a uniform number for the whole State. Mr. Drew represents a province that is very wide and, while a particular number may be all right in Geraldton, it might not apply in a place like Mt. Magnet. On the goldfields there should be ample elasticity. The number proposed might be all right here.

Hon. A. Thomson: I do not know that it is all right here.

Hon. J. CORNELL: Anyway, there is room for a difference of opinion about the number in the metropolitan area and the country districts.

HON. J. NICHOLSON (Metropolitan) [5.47]: I agree with the view expressed by the two previous speakers, and particularly do I agree with their remarks as applied to the metropolitan area. The question was considered very fully when a similar Bill was being dealt with in Committee a few years ago, and the number now stipulated in the Act, namely six, was retained. The position in country districts also applies, probably with greater force, in the metropolitan area. There are widowed women who find that their one source of sustenance, after the breadwinner has been removed, is to keep a few boarders. A widow probably has been thrifty and, when death snatched the breadwinner away, she has had to fend for herself. She may be fortunate enough to have a small property, and so may be able to provide accommodation for a few boarders. The income thus earned would probably help her to eke out an existence.

Hon. J. Cornell: And there is no obligation on the part of boarders to go there, either.

Hon. J. NICHOLSON: None at all. It may be said, "What does it matter if the Bill is passed?" It matters a great deal, since it would affect a widow very much if her home were classified as a boarding-house. The premises would immediately become subject to all the restrictions and requirements laid down in the Act, and the occupant would have to comply with this, that and the other regulation and, in the end, she would probably become distracted. Consequently, instead of making a few shillings a week out of the boarders, she might suffer loss after having paid fees and complied with the regulations. We have fixed the absolute minimum in the Act, and there should be no amendment. The Minister should realise that the Bill is not in the interests of the people I have described. I shall oppose the second reading.

On motion by Hon. H. Tuckey, debate adjourned.

## BILL—FAIR RENTS.

### *Second Reading.*

Debate resumed from the previous day.

HON. W. R. HALL (North-East) [5.51]: I have pleasure in supporting the second reading because I consider the Bill is a good one, and will be of great service to the people of the State, particularly those on the goldfields. I must admit, however, that I am not very conversant with housing conditions in the metropolitan area, but I do claim to have a fair knowledge of the position on the goldfields. The Bill is really necessary for the goldfields people because it will have the effect of checking those landlords who are charging excessive rents for houses that are not worth anything like the amounts demanded as weekly rentals. The Bill treats the owners of properties very well by allowing them a fair return on the capital outlay. I see nothing wrong with that. Clause 8 provides that the expenditure incurred by the owner of the property shall be taken into consideration when the rent is fixed. No exception can be taken to that. On the Eastern Goldfields particularly, there is considerable overcrowding in the homes, because there are not enough houses available. This, too, is

responsible for the exorbitant rents charged by landlords. From that point of view alone, the Bill should receive the serious consideration of members, especially if they realise that it will be in the interests of the goldfields particularly to pass the Bill. Miners should have decent homes to live in because of the unhealthy conditions under which they are forced to work. In Kalgoorlie and Boulder, unfortunately, there are instances of two or three families living in the one house.

Hon. J. Nicholson: Do you think the Bill will have the effect of increasing the number of homes?

Hon. W. R. HALL: The Workers' Homes Board cannot keep pace with the demand for houses that it is asked to build at Kalgoorlie and Boulder. No fewer than 119 applications have been made to the board, and even if that number of homes could be built, it would not be sufficient to meet present requirements. Should the Bill be passed, I am convinced that the effect would be to bring about a reduction in the rents of the existing houses. Mr. Seddon is aware that there is a great clamour for houses in Kalgoorlie, and that in consequence landlords are exploiting the tenants.

Hon. H. Seddon: Houses are being built.

Hon. W. R. HALL: For a house that costs approximately £300 to £350 to build, a rent of £2 or £2 10s. a week is asked. That is a very substantial return on the capital outlay.

Hon. J. Nicholson: I suppose you have not thought of going in for an investment like that?

Hon. W. R. HALL: If I were in the position of some members, I would not hesitate a minute. The thought has occurred to me that some members of this House may be landlords. Anyway, the fate of the Bill seems to be a foregone conclusion.

Hon. G. Fraser: How can you tell?

Hon. W. R. HALL: Well, I trust it will not be doomed, and that members will take into serious consideration the conditions under which many people on the goldfields are forced to live.

Hon. L. Craig: Would you be satisfied with a 6 per cent. return on the goldfields?

Hon. W. R. HALL: I am not so much concerned about the building of new houses as I am about the unfortunate people who are occupying homes to-day and who have to pay unnecessarily high rents. I should

like to see the Workers' Homes Board build more houses on the goldfields. That institution has built a decent type of house, and therefore one must conclude that the board regards the goldfields as sufficiently stable. A return of the outlay is expected in 10 years, whereas in the metropolitan area the period is 15 years.

Hon. J. Cornell: Thirty years.

Hon. W. R. HALL: To illustrate the housing position on the Eastern Goldfields, the number of workers' homes in Kalgoorlie and Boulder up to December of 1937 was 40. Since then fresh applications to the number of 17 have been received, and 119 applications still await approval. It will be some years before the last of these is approved, judging by the present rate of construction. The metropolitan area has received more consideration than the Eastern Goldfields in respect of workers' homes, having regard to the number of years the board has been in existence.

Hon. J. M. Macfarlane: The board does not like the business.

Hon. W. R. HALL: That may be so. To show how acute is the housing shortage on the Eastern Goldfields, when tenants leave and others take over the premises, the opportunity to increase the rent by 5s. per week is rarely missed. The Bill, which will empower magistrates to determine fair rents, is urgently required; and I have much pleasure in supporting the measure.

**HON. J. J. HOLMES** (North) [6.2]: I shall not take long to express my views on the Bill. If I had any doubts about it, the last speaker would have convinced me that I should vote against it.

Hon. G. Fraser: You never had any doubts.

Hon. J. J. HOLMES: I shall not spend much time over it, because a Minister recently informed me concerning the cost of "Hansard." We thrash out all these Bills year after year, making speeches and not getting anywhere. It seems that the Government has no definite policy of development or of anything else, and therefore deluges this Chamber with industrial legislation which Ministers know will not get the Government anywhere or the country anywhere. The previous speaker mentioned that in Boulder there are three families living in one house. Let me ask the hon. member how the Bill will relieve that position?

If the Bill does anything, it will stop house-building. No one would be foolish enough to build houses under the conditions proposed by the measure, especially as there are so many gilt-edged securities available. That fact was mentioned yesterday by Mr. Craig.

The Chief Secretary: It is an open question.

Hon. J. J. HOLMES: One can invest one's money in preference shares without any obligation as to payment of rent or taxes, or anything else; and one cannot lose one's money in preference shares.

Hon. G. Fraser: We heard a good deal about companies the other evening.

Hon. J. J. HOLMES: I have had experience of letting houses. In my youth, when I did not take too much notice, I was told that fools build houses and wise men live in them. As I grew up I learnt that that was a very wise saying. At one time, as the Honorary Minister is aware, I was a landlord; but to-day I do not own a single house except the one in which I live. I may point out that the cheaper the house and the lower the rental, the worse the security. If one has a good house in a good position one may have a chance of getting something like a decent return from it; but a cheap house in a cheap locality, with tenants coming and going, is something in which no one with any common sense would invest. If the Bill has any effect, it will be to curtail the building of houses and to increase such cases as that mentioned by Mr. W. R. Hall—three families in one house. Certainly the Bill will not prevent that.

If the measure is so excellent and the Government is so satisfied about it, why does not the Government build more houses under the Workers' Homes Act? One thing I have always preached is that if a man is to be made contented and satisfied with his surroundings, he must be allowed to have a home of his own. The present Government has land, and has its own bricks and its own timber, and also has the unemployed. Then why cannot the Government come to the rescue by building houses for people who want them? According to our friend who has spoken, in that case we shall not have to worry about deficits in the future, since the Government will have a return of £2 per week for every £300 invested. In those circumstances the country's finances

would soon be put right. However, the Government is in the position of having to try to find a way out, having to satisfy somebody, and therefore it says, "We will harass and annoy some people." We have heard about what the boarding-house keeper will have to put up with if certain legislation is passed, but what about the landlord if this Bill becomes law? Then any person owning even one house will probably be subject to a Minister's appointee, possibly a magistrate, to assess the value of the land. Whether the man is an expert in land valuing or not, so long as he is of the right political colour he may be appointed a land valuer. And then there would be a building expert, probably of the same political persuasion, to fix the value of the building. With all these things being done, people are supposed to carry on and build more houses in order to receive a maximum return of 6 per cent.; that is, the maximum return will be 6 per cent. if the house is always occupied and the rent is always paid. The proposition is too monstrous for discussion. I shall vote against the Bill.

HON. C. H. WITTENOOM (South-East) [6.10]: I have let houses, and in my opinion the business is very different from what the framers of the Bill believe it to be. Once or twice I have let houses at remarkably good rents, but on the whole the investment has been anything but lucrative. We recognise that in many cases unreasonable rents are demanded, but in the majority of such cases there is probably some special cause for it. It may be excellence of position, or a strong demand for the particular type of house. Generally people can get houses at comparatively low rents. However, I do not know that that applies to Kalgoorlie—especially after hearing Mr. W. R. Hall. As several members have already mentioned, the Bill would defeat its own object. If persons who are prepared to put money into building houses for letting purposes are to be loaded with legislation of this kind, they certainly will not continue in that line of investment. There are many better avenues of investment than building houses to be let, especially subject to such conditions as the Bill seeks to set up. I can say from my own experience that more often than not the letting of houses represents a very poor investment indeed. All members must admit that great difficulties will arise from the determining of

valuations as proposed by the Bill. Again, there is the problem of arriving at fair allowances for maintenance and repairs. That matter can be satisfactorily determined only by persons of great experience in the business. Further, the Bill allows no appeal. That is utterly wrong.

In my opinion the law of supply and demand should be left to determine rents. In any case, how many people are paying heavy rents in these days? People simply cannot do it. Certainly persons paying excessive rents are not numerous. If high rents are insisted upon for houses, there are satisfactory little flats available at low rents. It is easy enough to pick out a few cases of excessive rents, say in a particular street; but when such cases do appear there is some special reason for the rents being very high. I am not alluding to rents paid by book-makers, or the rents which a Royal Commission recently discovered some ladies were paying. The case of Kalgoorlie has been mentioned every time a Bill of this nature has been before the Chamber. Were it not for the fact that rents are high in that town, this measure would not have come before the House. If the Government wants the Bill to apply to Kalgoorlie, and Kalgoorlie alone, I have no objection to it.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. C. H. WITTENOOM: We have heard so much about Kalgoorlie that if the Bill were to apply to that town alone, I would be inclined to support it, after having learnt what the member for Kalgoorlie, Mr. Styants, has said about the cost of houses there. I think he said that the cost of a house was about £300, and the return 30 per cent. or more. I admit that apparently something could very well be done there. Were I not a big sufferer from the drought, I think I would invest money in building houses at Kalgoorlie, provided this Bill did not become law. The Bill, if passed, would probably do good in that it would compel miners and contractors to build their own homes. If this were done, it would be better for the community. If a man and his wife can interest themselves in their homes, it certainly makes for better conditions for themselves and their families. Lack of home life is the cause of the appearance of so many young people before the Children's Court. I see no reason why the Bill should

apply to the metropolitan area, and, if passed, it would do great harm to seaside towns. I shall oppose the second reading.

HON. A. THOMSON (South-East) [7.34]: When a Bill similar to this was before the House, I said that if it would prove beneficial in the direction stated by the Government, I would support it. I am, however, firmly convinced that such legislation will make matters worse. From remarks made by previous speakers, particularly goldfields members, and by the Minister who introduced the Bill, the goldfields in particular appear to be suffering severe disability on account of the heavy rents charged by property owners there. I can recall the time when the main industry of Kalgoorlie and Coolgardie was the selling of homes at any price. Those homes are scattered over many parts of our farming districts. Property had declined in value to such an extent that owners were obliged to accept almost any price offered, because it was impossible to let houses. The admission has been made that a house can be built on the goldfields at a cost of £350 and let at a rental of £2 a week. That certainly looks as if someone is deriving a very considerable profit.

Hon. V. Hamersley: What guarantee have the owners that those rents will continue?

Hon. A. THOMSON: That is the point. Present property owners on the goldfields are profiting by the experience of people who built houses there in past years, and who were so unfortunate as to be obliged to accept whatever price they could get for those houses. Mr. W. R. Hall indicated that he considered the Bill would make matters worse. If passed, the inducement for people on the goldfields to build their own homes would be lost. A little over 40 years ago, there was an enormous influx of people to the goldfields from the Eastern States. Many of them at that time lived in what was known as Canvas Town. They erected their own homes rather than pay the high rents being charged at that time. Undoubtedly, there was a shortage of houses.

Hon. J. M. Macfarlane: One would notice a vacant block in the morning and in the evening would observe people living in a house erected on it.

Hon. A. THOMSON: That is so. My impression of the people on the goldfields is that they are of a progressive type, and I think that any worker on the goldfields, rather than pay £2 a week rent, would endeavour to get his own home. We know that hundreds of houses have been built on the goldfields, the outer walls of which are composed of hessian and canvas, limewashed. These have made comfortable homes. I did a little pioneering myself. In the early days my wife and I did not think it derogatory to our dignity to build a small home and add to it as time went on. People on the goldfields who can pay a rental of £2 a week must be in a fairly good position.

Hon. J. Cornell: The motor car stopped home-building.

Hon. A. THOMSON: Yes. The probabilities are that those who require houses at a low rental are owners of motor cars, which probably cost a minimum of £1 a week for running expenses. Even at the present price of timber and iron, the average man himself could erect a home at the price of one year's rent; and if he is the type of man I consider the majority of goldfields workers to be, I see no reason why in a very short space of time—probably 12 months—he should not own a very comfortable home. In view of the fact that the goldfields are not what might be termed permanent—

Hon. W. R. Hall: They are permanent.

Hon. A. THOMSON: I sincerely hope they are. If that be so, surely the man who is in a position to pay £2 a week, should be able to pay a deposit on a home of his own. Apparently, the goldfields are not looked upon as being permanent by the Government, because the Government does not seem to be prepared to erect many workers' homes there. Mr. Cornell endeavoured to get special consideration for the goldfields in that respect.

If the measure is passed, instead of relieving the position, it will make it very much worse. The Bill is of a type not in the interests of people who require homes. I would willingly support a measure designed to enable workers to secure a home at a reasonable rent; but it is proposed to ask people to accept an interest rate of six per cent. as a maximum. As that rate is only  $1\frac{1}{2}$  per cent. above the Commonwealth Bank's charge for overdrafts, my opinion is that a man who has money to invest would not consider investing it in houses for letting purposes. Even before a restriction such as

is suggested by the Bill was mooted, I would not have considered an investment of this kind, from my experience as the owner of one or two houses let to tenants. With Mr. Holmes, I am prepared to allow other people to build houses as an investment. If it is desired to encourage people to build homes, this measure will not achieve that result; it will have the opposite effect. I oppose the second reading of the Bill.

HON. W. J. MANN (South-West [7.41]: I wish merely to add a word or two to what has already been said in opposition to the Bill. If it were possible to ascertain what is at the back of a Bill of this nature being repeatedly brought before Parliament, I think one would find it is mostly due to the clamour of a certain section of the people that is always obsessed with the idea that it should have the cheapest possible commodities at the expense of someone else. That is a rather sweeping statement, but I believe it to be true. Most men of any standing at all prefer to own their own homes. Any man who desires to spend his declining years in some degree of comfort tries to secure his own home, so that he will not have rent to pay in his old age. In his desire to be a good citizen, he will make sacrifices in order to obtain a home. I am in accord with what other speakers have said, namely, that the Bill, if passed, will defeat the object of the framers. I do not think the measure is in the best interests of the people.

I suggest that the Government, instead of interfering with the building of residences, would be better advised to erect additional workers' homes. The workers' homes scheme is one of the few Government undertakings that seem to be functioning well. We hear very few complaints about it. I know many people who are living happily in workers' homes and enjoying the easy terms given by the Government. These people are paying by way of rent and purchase money considerably less than they would pay in rent for a similar home owned privately. Seeing that there have been comparatively few losses under the Workers' Homes scheme, I would support action by the Government to widen the programme of the Workers' Homes Board as much as possible. This Bill, in effect, says to people, "You need not bother to be



thrifty. Leave it to us and we will see that you can rent a house at about the figure you desire." That is not the way to encourage the people to build up a country. Encouraging people to build homes in the metropolitan area and in the country has a two-fold effect, firstly, to make people more contented, give them good living conditions and conditions for their children that they otherwise might not be able to enjoy; and, secondly, to build up rateable values so that the State asset is increased. That is an important consideration, and, with the widening of the programme of the Workers' Homes Board, the Government would participate in it. I cannot see any good in the Bill, and shall oppose the second reading.

**HON. E. H. ANGELO** (North) [7.47]: The consistency with which legislation of this kind has been brought before Parliament has already done a considerable amount of harm. Several of my friends have houses to let—places that were built some years ago—and they have money to invest, but they say they will not continue in this avenue of investment because they are afraid that some day Parliament may pass legislation of this kind. To contend that 6 per cent. is a fair return to the house owner is ridiculous. I own a shop or two, and when I fixed the rents I thought I would receive a fair return, but after an owner has effected repairs—tenants are always looking for repairs and improvements—paid rates and allowed for loss on account of the premises being empty, the proposition is anything but payable.

**Hon. J. Cornell:** The hon. member should let his premises to an s.p. betting man.

**Hon. E. H. ANGELO:** No doubt such a tenant would pay the rent, but there would be the risk of his being fined heavily next week and asking for time to pay the rent. I have come to the conclusion that if I had any money to invest and this measure became law, I certainly would not invest it in house property. Neither could I advise my friends to do so. The mere fact of the Government's bringing up such legislation year after year is doing great harm to the very people whom the Government is trying to assist. There are other ways of getting homes for the people, as several members have mentioned. This House has always been in favour of assisting the Gov-

ernment to extend the system of workers' homes, provided the homes are not too expensive or beyond the capacity of people to pay for them.

**Hon. G. Fraser:** That is why you voted last year against the Government's Bill to provide homes for the people?

**Hon. E. H. ANGELO:** That was a rather ridiculous Bill.

**Hon. G. Fraser:** According to you, all such Bills are ridiculous.

**Hon. E. H. ANGELO:** Surely there are other ways of assisting the people. This is not the right way, and I regret I cannot vote for the Bill.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [7.50]: I desire to say a few words on the measure. I can quite understand members entertaining opposition to a Bill of this kind, but I must admit that I fail to understand some of the reasons submitted in support of the opposition. I can understand the opposition of Mr. Holmes to such a Bill. He has maintained his reason this session, just as he has done on previous occasions when similar measures have been introduced.

**Hon. J. J. Holmes:** I am glad you admit that I have maintained my reason.

**The CHIEF SECRETARY:** That is so, but other members have not been so consistent. I should like to know just what members would desire if they were building houses for letting purposes. What sort of a return would they expect on their money? Last night Mr. Craig spoke of the possibility of obtaining a return of 6 per cent. on gilt-edged securities that could be bought at par. I do not know where gilt-edged securities that would return 6 per cent. could be purchased at par.

**Hon. L. Craig:** I do.

**Hon. J. Cornell:** On Woolworth's you could get more than that.

**The CHIEF SECRETARY:** I think there must be a difference between what Mr. Craig and I would term gilt-edged securities.

**Hon. L. Craig:** Preference shares are just as much gilt-edged securities as is house-property.

**The CHIEF SECRETARY:** The hon. member suggested that, because it is possible to buy gilt-edged securities at par returning 6 per cent. per annum, people with money would prefer to invest in that way, rather

than put it into house property for letting purposes.

Hon. L. Craig: If they had any common sense, they would.

The CHIEF SECRETARY: I think that was the hon. member's argument.

Hon. L. Craig: And I stick to it.

The CHIEF SECRETARY: Then we have Mr. Angelo, another financial expert, suggesting that 6 per cent. is not a sufficient return on house property.

Hon. E. H. Angelo: Not with the deductions.

The CHIEF SECRETARY: That is the point. Has the hon. member read the Bill? I do not know how often I shall have to accuse some members of not reading Bills.

Hon. J. Cornell: To read it would be a pity when its fate is sealed.

The CHIEF SECRETARY: I do not know that it would be. Members should not be deceived without my pointing out at least where they have made a very big mistake if they really believe what they have said.

Hon. A. Thomson: Have you read Clause 8 of the Bill?

The CHIEF SECRETARY: Clause 8 defines the method of determining the fair rent. It provides that the fair rent shall be at a rate not less than  $1\frac{1}{2}$  per cent. above the rate of interest for the time being charged upon overdrafts by the Commonwealth Bank of Australia on the capital value of the dwelling-house, plus the following:—

(a) the annual rates;

They will represent a fair percentage.

(b) the amount estimated to be required annually for repairs (including painting, maintenance and renewals);

(c) insurance on any building;

(d) the amount estimated to be the annual depreciation in value of the dwelling-house, if such depreciation diminishes its letting value.

I should say that instead of being equivalent to 6 per cent., it would be nearer to 12 per cent. or 13 per cent.

Hon. L. Craig: Nevertheless it would be only 6 per cent. net.

Hon. J. J. Holmes: And there is no deduction for land tax, rent not paid, or loss due to the house being empty.

The CHIEF SECRETARY: I should like to point out that this measure will apply only where unfair rents are being charged by people who have houses to let.

Hon. J. J. Holmes: Who is to decide that?

The CHIEF SECRETARY: We hear of people, not only on the goldfields but also in other parts of the State, being exploited by landlords, and we in the metropolitan area are not exempt from that evil. Many cases could be quoted, perhaps not quite so extreme as those mentioned by Mr. W. R. Hall. In many instances the breadwinner is not receiving more than the basic wage, or perhaps a shilling or two above the basic wage, and he is called upon to pay a rent of 25s. a week to accommodate his family. I ask any member how he would get on if he had to pay 25s. a week rent out of the basic wage or a little more.

Hon. A. Thomson: Would this Bill improve that if the house was worth 25s. a week?

The CHIEF SECRETARY: The Bill would protect people from being exploited as they are being exploited to-day. The hon. member would favour reverting to the days when people on the goldfields lived in shacks of hessian and canvas whitewashed—places with two or three rooms for a whole family, affording very little privacy. That exists to-day in certain parts of the goldfields. I am not going to advocate insisting upon people living under such conditions.

Hon. J. M. Macfarlane: Nobody would.

The CHIEF SECRETARY: We have heard members speaking of their sympathy for the people who are being exploited. Men on the goldfields have to pay 30s., 40s., and even 50s. a week for houses of very poor type.

Hon. J. J. Holmes: And some of them buy motor cars.

The CHIEF SECRETARY: At the same time members are not prepared to agree to the Bill and thus assist those workers to improve their conditions. The measure is not put forward as one designed to increase the number of houses to be built.

Hon. A. Thomson: You are right there; it will not have that effect.

The CHIEF SECRETARY: But I refuse to admit that the measure will have the effect of preventing houses from being built.

Hon. H. Seddon: I say definitely it will.

The CHIEF SECRETARY: I contend that a measure of this kind would have beneficial effects for a large number of workers. When members advocate that people should build their own houses or pur-

chase under the workers' homes scheme, they should remember that many men cannot undertake such an obligation for the simple reason that they never know where their employment will require them to go. They might be in the metropolitan area for 12 months or two years and then have to move to another part of the State. They might have to spend 12 months on the goldfields and then return to the coast. There are many reasons why men cannot undertake the obligation. Thousands of men on the basic wage are not able, as a result of family obligations, to undertake a contract such as is generally necessary in the metropolitan area or even on the goldfields if they desire—as most of them do—to own a home of their own. While I can appreciate the objection of some members to the Bill, I cannot appreciate some of the reasons they have advanced for their opposition. I feel that there is a very real necessity for a measure of this kind to give protection to people who are forced to pay exorbitant rents in order to provide shelter for themselves and their families. I realise that such legislation has been presented to Parliament on many occasions, but has never received much support from members here.

Hon. H. Seddon: It will not receive much support this time.

The CHIEF SECRETARY: Judging by the speeches it will not receive any better support on this occasion. Still, the time has arrived, especially as so many members talk of their sympathy for the people who are being exploited, when the House should be prepared to agree to a measure designed to provide protection for those who have very little chance of protecting themselves. I support the second reading.

On motion by Hon. V. Hamersley, debate adjourned.

## **BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the previous day.

**HON. L. B. BOLTON** (Metropolitan)  
[8.0]: I have always stressed the fact that I am a keen advocate of arbitration, but I am afraid I am losing faith in the principle. From time to time we have been faced with evidence of the scant respect with which the Arbitration Act is viewed by unions, and

recently even the Government has shown very little more respect for it. To ask Parliament session after session to agree to the amendment of an Act the provisions of which one party only seems to be forced to observe is, to my mind, quite useless and represents an absolute waste of time. I intend to oppose the second reading of the Bill. The speeches delivered by Mr. Parker and Mr. Baxter dealt excellently with the main points, and if we spoke for hours it would be difficult to emphasise more clearly than they did the features to which exception may be taken. The experience Mr. Parker gained as a member of the select committee last year, of which he gave members the benefit, and the information supplied by Mr. Baxter, suggest that little more remains to be said.

Few of the proposed amendments meet with my approval. If the Government desires to amend the Act, and is sincere in its intention, I think it would at least have provided for the appointment of another president or judge in order that we could have two Arbitration Courts sitting at the one time. My experience of industrial matters suggests that much of the unrest has been caused by undue delay in having disputes investigated by the court. Had a measure of reform along those lines been introduced earlier by the Government, much of the industrial trouble experienced in the past would have been avoided. Then again, the Government would have been well advised not to re-appoint the two lay members of the court, for they have outlived their usefulness. When the court was first established, I believe, it was in the best interests of industry generally that the president should have the advice of two lay members. On occasions I have advocated the establishment of wages boards, so that the laymen appointed to assist the chairman would have an intimate knowledge of the industry under review. However, in my opinion the two lay members of the Arbitration Court are not now required. While I do not agree with all the decisions of the Arbitration Court, I consider that in Mr. President Dwyer we have a man who has done as much to keep himself up to date in industrial matters as anyone possibly could. I am convinced that if the president only were functioning we would get practically the same decisions as we get when two lay members sit in adjudication with him. In

my opinion, they have little influence upon decisions under existing conditions. If their services were dispensed with, there would be a considerable saving, both in time and in money. The money so saved would go towards defraying the cost of the second court. If the Government were sincere in its endeavour to amend the Arbitration Court and proposed an amendment along those lines, I would be more than pleased to support a Bill for that purpose.

The Government proposes that an industrial magistrate shall be appointed. I believe that is necessary, but I am nervous regarding the appointment that will be made. The man to be chosen for the post should be possessed, as nearly as possible, of the knowledge that characterises the President of the Arbitration Court. Most of the decisions will involve interpretations of the Act, and members are aware that there has been much heartburning in consequence of many of the decisions given in the past. Therefore, when the Government makes the appointment, the very best man available should be selected, irrespective of whether he be a valued member of this or that party.

To-day I had handed to me some information that may be useful to members when considering the Bill. It deals with a point referred to by Mr. Parker and Mr. Baxter, and has relation to paragraph (b) of Clause 2 which deals with the definition of "worker," and includes the following:—

The term also includes canvassers for life and accident assurance or insurance whose services are remunerated wholly or partly by commission or percentage reward and whose services are wholly or substantially devoted to the interests of one company or society.

From the information I have received, it would appear that this amendment cannot be regarded as in the interests of the public, the canvassers or the insurance companies, nor will the amendment have the desired effect, seeing that canvassers stand to insurance companies in the relation of agent to principal, not of servant to master. There is no direct control, and canvassers may, and in fact do, undertake other business. After the 1925 amendment to the Act, which included industrial canvassers as "workers" under the Act, an application for registration of a union covering those canvassers was refused. It is very difficult to apply rates of wages and conditions of em-

ployment to persons who are really agents, and not servants.

The Chief Secretary: Those arguments have been controverted a number of times.

Hon. L. B. BOLTON: If canvassers are covered by an award or industrial agreement, then they come within the scope of the Workers' Compensation Act, with resultant confusion. If an accident happens to an insurance canvasser who is canvassing for other concerns at the same time, who is the employer responsible for compensation? It is difficult to understand why the distinction is drawn between insurance canvassers and other canvassers. There is no necessity to provide for awards for insurance canvassers on the ground that their remuneration is too small, for not more than 5 per cent. receive less than the basic wage. In addition to this, they can, and do, earn money from other sources. If an insurance canvasser can only earn less than the basic wage, his services would be dispensed with if an award were issued; those who can earn more do not require an award. Indeed, my opinion, which I am sure is shared by many members, is that it would be much better if we were able to remunerate all employees on the basis of results.

Hon. L. Craig: We would receive very poor salaries.

Hon. L. B. BOLTON: The hon. member can speak for himself. If that system obtained we could be assured that we were paying for services received and were not, as unfortunately is the position to-day, being forced to pay all employees on the same basis.

Hon. J. Nicholson: The farmer is paid by results.

Hon. L. B. BOLTON: But the trouble is that he does not get results. Insurance canvassers were brought under an award in Queensland, and the result was injurious to the canvassers themselves, as many were thrown out of employment. The only sensible way of remunerating agents would seem to be, as I have already indicated, on results. At present the canvassers have complete freedom of hours and conditions. If they were bound by the terms of an award, they would be tied down to prescribed hours. The fundamental concept of the Industrial Arbitration Act is to regulate the relation of employer and employee, and when one attempts to stretch this to prin-

cial and agent, difficulties are at once created.

The Chief Secretary: Who supplied you with that information?

Hon. L. B. BOLTON: An authority on the subject. I hope the information will be of some benefit to members generally. The information placed before the House by Mr. Parker and Mr. Baxter, and my own knowledge of the position, convince me that it would not be in the best interests of the State to agree to the second reading of the Bill, which I accordingly oppose.

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

### RESOLUTION—YAMPI SOUND IRON ORE DEPOSITS.

#### *Commonwealth Embargo.*

Debate resumed from the previous day on motion by the Chief Secretary to concur in the Assembly's resolution as follows:—

That this Parliament of Western Australia emphatically protests against the embargo placed by the Commonwealth Government on the export of iron ore from Australia, in view of its disastrous effects upon the development of the State. We consider that the information available does not warrant such drastic action, and we urge the Commonwealth Government to remove the embargo.

to which Hon. A. Thomson (South-East) had moved an amendment as follows:—

That the following words be added to the motion for concurrence:—"Provided the resolution be amended by striking out all the words after 'Western Australia' and inserting in lieu the following words:—'considers the embargo imposed by the Federal Government on the export of iron ore—which has been done in the interests of the whole of Australia—means a serious loss to the State of Western Australia in particular, and it is considered therefore that a substantial grant should be made by the Federal Government to compensate this State for the disastrous effect this embargo has caused in the loss of employment for its workers and the retarding of development in the Yampi area; such grant to be earmarked for the development of the northern portion of the State.'"

HON. J. J. HOLMES (North—on amendment) [8.15]: I intend to oppose the amendment, as I opposed the motion. Neither the amendment nor the motion will get us anywhere; and if the amendment is carried, it will probably hold us up to ridicule. I

regret very much that Mr. Thomson, perhaps unknowingly, reflected on what the Hon. George Miles has done during the last 25 years. During that period Mr. Miles has been infatuated with the possibilities of the North. He has suggested all manner of schemes, none of which, I regret to say, was practicable. He is a man of sound business capacity, but when he begins to talk about land development he is advocating something he does not understand. He has suggested schemes which, as I have told him, have been altogether impracticable. But the parasites of London considered those schemes good enough to adopt. While, however, Mr. Miles had one object in view, namely the development of the North, upon which he spent his own time and money, these men in London have had an entirely different object, and that was to make what they could out of the schemes. I want to clear up that point. Mr. Miles, in my opinion, has always played the game.

Hon. A. Thomson: I did not say anything derogatory of him.

Hon. J. J. HOLMES: Mr. Miles has played the game. He had a big map prepared, I believe, at his own expense, a map Mr. Thomson suggested was a Japanese production. That map, I understand, was prepared under Mr. Miles's supervision to show the danger that existed in allowing the Japanese to come to this country. He told us that 6,000,000 or 8,000,000 Japanese babies were born every year; that is, every year more people are born in Japan than we have at present in this country. That was what the map was intended to show; but the satellites in London, instead of commending the idea of keeping the Japanese out of this country, actually persuaded a Japanese company to come here.

Hon. E. H. Angelo: On a point of order, I wish to correct Mr. Holmes. The map to which he refers was taken from a magazine published in Japan in September, 1919. A copy of that map appears in the book I have before me, entitled "The Land of Opportunities."

Hon. J. J. HOLMES: That may be so, but I believe Mr. Miles had a map of his own production. So far as I know it was produced by the Northern Development League. It was produced to show the danger of an

empty North in close proximity to Japan. I do not think that the Japanese would produce a document of that kind. This combination in England that attached itself to what I considered Mr. Miles's unworkable proposition was able to get behind Mr. Munsie. I honestly believe Mr. Munsie thought he was dealing with a British company. He was led to believe that. But we had the evidence of the representative of the company, given in the warden's court at Broome, that though the British company was the holding company, a Japanese company was providing the money. I considered it my duty to Mr. Miles and the late Mr. Munsie to clear up this point.

In introducing the amendment Mr. Thomson said he did not think it was a crime for Mr. Munsie to sell this iron ore to a British company. Neither do I; Mr. Munsie did quite right in selling to a British company. In view of the international situation to-day, Britain might be glad of high-class iron ore in such an easily accessible position.

The Chief Secretary: The deposits would not be of much use unless they were developed.

Hon. J. M. Macfarlane: They will be some day.

Hon. J. J. HOLMES: If we cannot develop the iron ore at Yampi and find a market for it, then it is idle for the Premier or the Chief Secretary or anyone else to talk about the other deposits we have in this country. As a matter of fact Yampi Sound is the one locality in Western Australia where there is easily accessible iron ore of high quality. All that is necessary is to sail a ship under the cliff, shoot the ore into it, and sail away. I repeat what Mr. Thomson said, namely, that in selling this ore to an English company Mr. Munsie was not committing a crime.

The Honorary Minister: Do you consider it a crime to sell the ore to Japan under normal conditions?

Hon. J. J. HOLMES: Yes, it was decidedly a crime. I believe that had Mr. Munsie known or thought that the ore was going to Japan or that a Japanese company would control the deposits, the contract would never have been made, because, as we all know, he said, "I will not have anything to do with your Japanese company." But as a result of manipulation by people in London who were too smart for Mr. Munsie, he sold the ore to what he believed

was a British company but what in reality was a Japanese company.

Neither the motion nor Mr. Thomson's amendment leads us anywhere. I am sorry that Mr. Thomson has left the Chamber. It is quite evident that he had no knowledge of the subject, because he made the most astounding statements to the House about the possibilities of the North. He then proceeded to indicate the revenue that would be lost to this State over a period of 25 years through the sale of ore at 4d. a ton having been prevented. He overlooked the fact that for years the shell and pearls at Broome were worth anything from £200,000 to £250,000 per annum. That shell could be sold in a ready market. To-day the Broome pearlers are operating under adverse conditions. They cannot compete with Japanese poachers. If they obtain shell they cannot sell it for anything like a reasonable price, because the markets are flooded with the shell fished by the Japanese.

I do not think anyone could accuse me of aiming at popularity. If I have a duty to perform, I perform it whether I please people or not. Nevertheless, I have had correspondence showered on me from all parts of the country—from Broome to Wiluna—congratulating me on the stand I have taken in this matter. Here is one letter from Broome—

I have held most decided opinions all along about this matter which to my mind is a scheme to enrich a few at the expense and dignity of Australia. I know I am not alone in this view in Broome. The bait thrown out that large shipments of cattle would be lifted in conjunction with the iron ore is all bosh. Apart from all other considerations of moment to Australia, I think it may safely be taken that if Japanese vessels were enabled to call regularly at Yampi for ore, it would not be long before all the North-western waters of Australia were swarming with sampans, and the Japanese would be able to avail themselves of the use of such vessels as supply ships—obtaining supplies of crude oil, stores, gear and transshipping M.O.P. shell for shipment to Japan.

I think the world knows the Japanese have no scruples in a matter of this kind. Everything possible would be done to assist the poaching sampans with the help of the regular overseas vessels.

As a good Australian, I offer you my warmest congratulations on the stand you have taken.

Hon. J. Cornell: Of course, you represent the North.

Hon. J. J. HOLMES: The name and occupation of the writer of the letter are

available to anyone. Mr. Thomson accused me of inconsistency in advocating the taking-over of the Kimberleys by the Federal Government. There was no inconsistency in what I said. I said that the Kimberley country was similar to that of the Northern Territory, and that the two areas were divided merely by a survey line. I said that the Federal Government was developing the Northern Territory by encouraging the growth of cattle and sheep and the exploitation of minerals. I also said I had reason to believe that the Federal Government was prepared to develop the Kimberleys along the same lines and that the Federal Government had the money to do it, whereas the Premier in his speech on the motion before the House said that this State had no money available for that purpose.

Hon. A. Thomson: I have advocated the taking over of the Kimberleys by the Federal Government for years.

Hon. J. J. HOLMES: I am not considering what the hon. member has advocated; but he charged me with inconsistency, and I have the right to reply. I am endeavouring to make myself clear. The Minister for External Affairs recently travelled through the Northern Territory to the Kimberleys, and he admitted to me that the two areas had the same class of country and could be developed similarly. I do not want to be too hard on Mr. Thomson.

Hon. A. Thomson: I do not mind; go ahead.

Hon. J. J. HOLMES: Mr. Thomson spoke about the wonderful rainfall of the Kimberleys. Twenty-six inches! Fancy that in a tropical country like the Kimberleys! It might be all right at Katanning, yet I am inclined to think that 26 inches at Katanning would not even fill the dams.

Hon. A. Thomson: You said there were only 11½ inches; that was the reason for my remark.

Hon. J. J. HOLMES: I never said anything of the kind. Mr. Thomson considers that what has been done in Queensland we should be able to do in the Kimberleys.

Hon. A. Thomson: Provided there was a system of irrigation in the Kimberleys.

The PRESIDENT: Order!

Hon. J. J. HOLMES: Mr. Thomson referred to the annual rainfall in the Kimberleys as being 26 inches. He overlooked the

fact that this rain falls during three months of the year only, and that practically none falls during the remaining nine months. If he had followed out his inquiry to its logical conclusion, as a sensible man would have done, he would have inquired what the rainfall in Queensland was, when he might have refrained from making the astounding statement he did. The rainfall in Queensland ranges from 120 to 160 inches per annum, and it rains all the year round. We have this expert from the wheat areas, Mr. Thomson, talking about tropical development in the North; we can only feel sorry for him. He also referred to irrigation from the northern rivers. He will be surprised to learn that only during the rainy seasons are there any rivers in the North. At other times the river channels are only sand beds. At one time I wanted to get from Port Hedland to Roebourne. Mr. Craig's brother took me to the side of one of those big sand bed rivers, and my luggage was carried across to the other side, where I was transferred to another vehicle and went on to Roebourne. Those rivers are only rivers when it rains. When there is no rain they are sand beds, with pools of water here and there. Mr. Thomson ought to know that we cannot have permanent rivers unless we have an inland supply of freshwater lakes and mountainous country giving off streams. We have nothing like that in the North. Only when the rain comes down in torrents do we have a plentiful supply of water, and the bulk of it runs into the sea.

Hon. E. H. Angelo: The same thing applies to rivers in India from which people irrigate their land.

Hon. J. J. HOLMES: I am talking of the Kimberleys. Does Mr. Thomson know that in the locality where he proposes to have his irrigation scheme there is a rise and fall of 36ft. of tide?

Hon. A. Thomson: I know that.

Hon. J. J. HOLMES: It is necessary to keep the sea water out as well as keep the fresh water in.

Hon. A. Thomson: That is done in other parts of the world.

Hon. J. J. HOLMES: Mr. Thomson talked of Carnarvon, about which he knows something though he has never seen the place. He referred to the banana industry there and to the growers irrigating from the river. The bulk of the irrigation there comes from

wells. Until the bridge was built across the Gascoyne River some years ago, there was a big link mesh, wire-netting screen, stretched across it. Of course it did not keep the water back; it was put there to control the sand drift. Afghans were camped there with camels to pull the travelling public and their vehicles across the sandy river bed that the hon. member wants to use for irrigation.

Hon. A. Thomson: The growers have been irrigating from the river.

Hon. J. J. HOLMES: When it runs, but the bulk of the water supply at Carnarvon comes from wells.

Hon. E. H. Angelo: Wells in the river bed.

Hon. A. Thomson: That is so; the water runs underneath.

Hon. J. Cornell: Only a pocket handkerchief area is irrigated, after all.

Hon. J. J. HOLMES: When Mr. Thomson talks about the effect of this embargo upon the development of the North, I must combat his ridiculous statements. If this country is capable of doing what Mr. Thomson indicates, what has the Minister for the North-West been doing, and what was he doing during the two terms he filled the position of tropical adviser? What did he say when the motion was discussed in another place about the possibility of achieving the objects referred to by Mr. Thomson? As tropical adviser the Minister knew his job and had two terms of office. He went to Queensland and returned. He has also had a term as Minister for the North-West. Surely we should have heard something from the hon. gentleman as to what else could be done in the North outside of cattle, sheep and minerals.

Hon. A. Thomson: Why have a tropical expert if the country is no good?

Hon. J. J. HOLMES: I did not appoint the tropical expert.

The PRESIDENT: I ask the hon. member to stop these ceaseless interjections.

Hon. J. J. HOLMES: If our tropical experts would state what could be done in the North, private enterprise might be induced to step in and do it. The Premier said we had no money with which to develop the North or Yampi iron ore, and that an outside company had been brought in for the purpose.

Now we have in Mr. Thomson an agricultural representative talking about the pro-

duction of pigs in the Kimberleys. I have heard of carting coals to Newcastle. No doubt wheat is the best possible food on which to fatten pigs. To talk of sending wheat from the wheat areas to the Kimberleys, paying all charges upon it, and fattening Kimberley pigs on it, is an extraordinary proposal. The pigs ought to be fattened in the wheat areas down here.

Hon. A. Thomson: I did not say that pigs should be fattened up there.

Hon. J. J. HOLMES: He said the Government ought to take advantage of this development and put Jewish people into that country. Does the hon. member know that a combination of people in London did put up a proposal to the Government with respect to that area, but that it was turned down? I was appealed to on the subject and cabled to London that I endorsed the Government's action. We want people here, not because they have money, but when they come here they should be determined to make a success of their venture or stay away. Mr. Thomson is only one of those who have endeavoured to ridicule my attitude on the subject.

Hon. A. Thomson: I did not do that.

Hon. J. J. HOLMES: Someone else made a similar attempt. If he had been a British subject I would not have minded his remarks. He wrote to the Press and asked what country I was supposed to represent. I am a Britisher representing a British community. This gentleman belongs to a nationality whose God is money. I believe he would sell ice to blind Eskimos if given the opportunity. He says I ought to be appointed, and probably will be appointed, head mining engineer of the State, because I can produce iron ore at 9d. a ton. I said nothing of the kind. I stated that the country received 4d., and that there was a rake-off of 5d., making a total of 9d. I said nothing about the mining of ore at that price.

The "West Australian" representative in the gallery butted in and spoke about my grievance against the ex-Agent General. I have no grievance against him personally; indeed, I ought to be grateful to him because he put me into Parliament. This is a public matter and it concerns the North, which I represent in this Chamber. Between 35,000 and 40,000 cattle are slaughtered annually at Wyndham, and they are



produced by the people I represent. Dressed beef was being handled by a firm in London that knew its job. The fifth quarter, the hides, skins, tallow, etc., was being handled by another firm which also knew its job. The Agent-General at that time, before leaving office, gave the whole business to one company. This consisted only of meat salesmen, who did not know anything about the rest of the business. The Agent General or the company decided to write to the State Government, saying he was going out of office and asking to be allowed to take the position of honorary director of that company, which would handle the meat in the interests of the State and the producers. The man in the gallery can say what he likes. I had a duty to perform.

Hon. J. Cornell: You could have said a great deal more about it.

Hon. J. J. HOLMES: Yes. There is nothing personal in the matter. The Agent General took the business away from those who were handling it well, and gave it to other agents, of whose company he was to become a director. If I had made such an arrangement it would have been from shipment to shipment, or month to month, but this contract was made for a specific number of years, irrespective of how the business was handled. I do not know whether it has yet expired. We have had enough of this interference by people who hang about London. This particular Agent General undoubtedly led us into a mess over our meat. I regret to say he was instrumental in leading the late Mr. Munsie to believe he was dealing with an English company and not with Japanese. Mr. Thomson spoke of what the Nippon Company was going to do about the transport of cattle from the Kimberleys. A local director, a man who thinks I ought to take his place as mining engineer, says, "We have always made it clear we never intended to export cattle." This cattle business was only introduced to cover up what was going to happen.

We have had considerable trouble on the North-West coast with the Japanese. Those people have no Australian port to call their own. If they had three or four ships each week going in and out of our northern ports they would not need a home port to call their own. They would bring to our shores all their supplies

and take away shell. They would also introduce Japanese labour into the State. I put up that aspect to the Federal Government, and the reply I received was that it would not be possible for Japanese to land without the Customs officers knowing something about it. The Commonwealth Government went even further and said that if any Japanese did succeed in getting ashore unknown to the Customs officials the squatters would soon find out all about them and inform the authorities. The position really is that as many of the Japanese are good cooks the squatters would not say anything, but would grab them to serve in that capacity. Thus it will be seen that the Commonwealth ignorance on the question is colossal.

We are aware that the Japanese will not enter into any whaling agreement with other nations. We also know that they have interfered with the salmon fisheries off the Alaskan coast, where they have become a menace by poaching with nets that are known to be two miles long. They have been catching salmon to such an extent that the Alaskan fishermen have been arming to defend themselves against the intruders. What is more, the United States Government, with the permission of the Canadian Government, is constructing a highway right through Canada to Alaska so that the States will be able to deal directly with the Japanese poachers. I understand that the territorial waters in that part of the world extend considerably beyond three miles from the shore. It appears that when the distance was originally limited to three miles, that distance was fixed because it was the limit to which the guns of that period would carry. Now I am informed that on the American coast the territorial waters extend the full range of modern gun-fire from the shore. If such a law can be applied in America I do not see why it cannot be applied here. There should not be any difficulty in manning guns at Broome if we had a similar law.

I think I have said enough to convince the House that neither the motion nor the amendment should be carried. To my mind the amendment is more far-reaching, though not so sensible, perhaps, as the motion. It is proposed "that a substantial grant should be made by the Federal Government to compensate this State for the disastrous effect this embargo has caused in the loss of em-

ployment for its workers and the retarding of development in the Yampi area." Yampi is not an area capable of development; it is an island. I have already made it clear to Mr. Thomson that if he had taken the trouble he could have learned that there was no chance of tropical or cultural development in that part of the State and that anyone would have to fall back upon cattle, sheep, etc.; also, that if there had been any possibility of doing anything more than grow cattle, sheep and peanuts, I am quite satisfied that the present Minister for the North-West, who for many years was tropical adviser to the Government, would not have spent so many years in the North without having found a solution of the problem that Mr. Thomson tells us can be solved. I have nothing more to say except to oppose the amendment.

**HON. C. H. WITTENOOM** (South-East) [8.52]: While I intend to speak to the amendment, I may find it rather difficult not to trench on the motion. When the motion was first submitted, my definite intention was to oppose it, for the reasons that have already been advanced by several members, the principal one being that there is a shortage of iron ore in the Commonwealth. Figures have been given, however, and the opinion has been expressed that the supply of iron ore will last a good deal longer than the periods that have been mentioned. Another reason for my opposition to the motion is that it is not advisable that the Japanese should be supplied with the ore. As conditions appear to be turning out, it seems that the Federal Government was entirely justified in imposing the embargo. The Federal Government must have had good reasons for taking the action it did. A suggestion was advanced that the embargo would interfere with vested interests. I do not take any notice of that. When Mr. Thomson moved his amendment, I thought there was something in it, that we in Western Australia were being deprived of an industry that would have been of inestimable advantage to the State, and that its development would have turned out to be something that was urgently needed to assist in opening up the northern areas. Had the circumstances been ordinary instead of extraordinary, I might have voted for the amendment to request compensation. I am inclined to think that

had that suggestion been put to the Federal Government in normal times, consideration might have been given to it. Circumstances are, however, entirely altered, and we are on the verge of an emergency. For that reason I intend to vote against the amendment and the motion as well.

On motion by the Chief Secretary, debate adjourned.

*House adjourned at 8.55 p.m.*

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*Wednesday, 28th September, 1938.*

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

### QUESTION—EGGS, PULP IMPORTS.

Mr. THORN asked the Minister for Agriculture: What quantity of egg pulp has been imported into this State during the past six months?

The MINISTER FOR AGRICULTURE replied: 186,151 lbs.

### QUESTION—LOTTERIES COMMISSION.

*Agencies in Starting-price Betting Shops.*

Mrs. CARDELL-OLIVER asked the Minister representing the Minister for Police: 1. Is he aware that hundreds of shops dealing in starting-price betting throughout the