Legislative Council,

Tuesday, 13th October, 1936.

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

QUESTION—MINING, SILICOSIS AND TUBERCULOSIS.

Hon. C. G. ELLIOTT asked the Chief Secretary: What percentage of men working in the goldmining industry were found, on examination, to be suffering from—(a) silicosis early; (b) silicosis advanced; (c) silicosis plus tuberculosis; (d) tuberculosis, for the year ended 30th December, 1935?

The CHIEF SECRETARY replied: (a) silicosis early, 5.74 per cent.; (b) silicosis advanced, .27 per cent.; (c) silicosis plus tuberculosis, .05 per cent.; (d) tuberculosis, .02 per cent.

QUESTION—STATE INSURANCE OFFICE.

Profits or Losses.

Hon. C. G. ELLIOTT asked the Chief Secretary: What was the accumulated profit or loss made by the State Insurance Office on its operations, since its inception, to 30th June, 1936, to (a) industrial diseases section; (b) accident section?

The CHIEF SECRETARY replied: (a) The excess of premiums over payments is £315,568 15s. This amount is not a profit, but a reserve to meet outstanding and expected claims. (b) £10,682 7s. 2d., from which must be met outstanding claims.

BILL—STATE TRANSPORT CO-ORDINATION ACT AMENDMENT (No. 3).

Introduced by Hon. A. Thomson, and read a first time.

BILL—BOAT LICENSING ACT AMENDMENT.

Read a third time, and transmitted to the Assembly.

BILL—TENANTS, PURCHASERS, AND MORTGAGORS' RELIEF.

Second Reading—Defeated.

Debate resumed from the 6th October.

THE HONORARY MINISTER (Hon. E. H. Gray—West—in reply) [4.37]: I have experienced surprise at the manner in which the Bill has been received by some hon. members, who I do hope will reconsider their attitude on the measure and vote for the second reading. Last session certain contentions were raised against the Act by hon. members but since then the situation has changed, and during the last three months it has changed very much for the worse. The legislation should be kept in operation during the current year for the benefit of unfortunate tenants to be, if for no other purpose. The main purpose of the Bill, apart from the continuation of other provisions of the Act, is to prevent the practice of contracting outside the Act. That practice, I submit, is wrong in principle; and the Bill seeks not only to prevent contracting outside the Act during its future currency, but also to rectify agreements made outside its provisions in the past.

Hon. J. Cornell: But there is a difference between temporary legislation and permanent.

The HONORARY MINISTER: This is merely temporary legislation designed to tide over an emergency. All members thought last session that the Act would not be required this year; but if we give consideration to the present situation, we must agree that, especially in view of the bad season, which must affect the metropolitan area and the renting of houses, the Act should be permitted to remain in existence for another year.

Hon. J. J. Holmes: Nobody has contracted outside the Act.

The HONORARY MINISTER: I do not think that is right.

Hon. J. J. Holmes: It is right. The Act refers to contracts made prior to a certain date.

The HONORARY MINISTER: The amendment in the Act which this Bill seeks to continue relates only to tenants, and does not in any respect affect the position of mortgagees or mortgagors. Protection is not granted to a tenant when a magistrate is satisfied that such granting will have a serious effect on the landlord. The fears expressed by Mr. Piesse regarding the effect of the retrospective application of the amendment embodied in Clause 2, in so far as it might react detrimentally on those who lend money on mortgaage, are then without foundation. Mr. Parker has suggested that this legislation tends to hinder the building of small houses. The experience of the Workers' Homes Board, however, is that little or no demand exists for the type of small cheap dwellings; and a run through the metropolitan area shows quite a large extension in the construction of medium-sized houses.

Hon. J. Cornell; They are choking each other in Kalgoorlie.

The HONORARY MINISTER: The impression gained by Mr. Seddon that stay orders have been confined to the metropolitan area is quite correct; but this is mainly because landlords and tenants in country districts, coming closer to each other as they do, consequently find it easier to arrive at mutually satisfactory arrangements. During the last 12 months 27 applications under the provisions of the Act have come before the court. Seven cases were struck out, owing to the non-appearance of the applicants. It is probable that in these cases the applicants found that it was useless to appear, because they had contracted outside the Act.

Hon. J. J. Holmes: Why do you misrepresent? There is no contracting outside the Act, and you know it.

The HONORARY MINISTER: In six of the remaining 20 cases, where applicants appeared, it was found that they had lost the protection which the Act would have provided for them. In respect of the balance of applicants, 12 of them were granted orders for protection ranging from seven days to six weeks. However, I do not think it can be gainsaid that both the number of applications made and the number of orders for protection granted under the Act would have been much larger if other potential applicants had not been forced into signing contracting-out agreements. All that this measure seeks to do is to put all landlords on the same footing. No landlord is to be forced to let a house to a person unless he is satisfied regarding the person's ability to pay; and all tenants who wish to secure protection will be at liberty to approach the court, unrestricted by any agreement contracting outside the Act. As I said in opening, I hope some hon. members will reconsider their attitude towards the Bill. There is a need for the Act this year; and that need has been intensified, I repeat, by the sudden change resulting in a bad season, which must re-act on the metropolitan area. It is probable that there will be as large a demand for this legislation during the coming year as there was last year. If hon. members do not like the amendment proposed, they can reject it; but that amendment is proposed with the earnest wish to overcome what was considered a difficulty in the existing legislation. If hon. members regard the amendment as unnecessary, let them strike it out of the Bill. I do hope, however, that in the interests of the people who may require this legislation, hon. members will agree to a continuance of the Act for at least another 12 months. At the expiration of that period things may be better and the further continuance of this legislation may not be necessary.

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

Ayes	6
Noes	10
Majority against ..	4

Ayes	
Hon. L. B. Bolton	Hon. E. H. Gray
Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. Fraser (*Teller.*)

Noes	
Hon. E. H. Angelo	Hon. W. J. Mann
Hon. J. Cornell	Hon. G. W. Miles
Hon. C. G. Elliott	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Tuckey (*Teller.*)

Pairs.	
Ayes.	Noes.
Hon. C. B. Williams	Hon. A. Thomson
Hon. T. Moore	Hon. H. S. W. Parker

Question thus negatived; the Bill defeated.

BILL—PEARLING CREWS ACCIDENT ASSURANCE FUND.

Received from the Assembly and read a first time.

BILL—ABORIGINES ACT AMENDMENT.

In Committee.

Resumed from the 6th October: Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 26—Amendment of Section 43 of the principal Act (partly considered):

The CHAIRMAN: An amendment has been moved by Mr. Craig to strike out in line 6 of paragraph (b) the words "not less than six months and."

Hon. L. CRAIG: I have already explained the reasons for the amendments I have on the Notice Paper. I am not wedded to them, and if any member wishes to move an amendment on my amendment, probably I shall be willing to accept it. I hope discussion on this amendment will ensue. Let a penalty be imposed if necessary, but let it not be too severe a penalty.

The CHAIRMAN: The Chief Secretary has an amendment in the same place, proposing to strike out "six" and insert "three."

Hon. L. CRAIG: If the Committee agrees to insert "three" months, I will agree, but certainly I think six months too harsh. I discussed this matter with Mr. Moseley, the Royal Commissioner, only a couple of days ago. He said he was not concerned with the behaviour of white men in the Kimberleys, except to protect them from disease, which is the main danger up there. I too am anxious to protect any youth that may be sent up there, and I say he should not be unduly penalised for what might happen because of his inexperience.

The CHIEF SECRETARY: I submit there is need for a minimum penalty, and so I have inserted on the Notice Paper an amendment providing for a minimum of £25 or three months' imprisonment. This is a compromise, and is much milder than has been inserted in similar legislation in other parts of Australia. This is one of the most important provisions in the Bill, as it goes to the root of the problem. In recent years the department has been severely handicapped as a result of the existing legislation. The Bill will put the matter right. The position is far more serious than has been suggested by Mr. Craig, and to give the Committee full information I propose to read some of the evidence submitted to the Royal Commissioner. I had hoped to avoid doing this, but Parliament is the place where matters of this kind should be discussed very frankly. As I said on the second reading, the problem in the North to-day is the problem we had in the South 25 years ago, and unless we take necessary action now we shall have the same old problem developing in the North as rapidly as it has developed elsewhere. The Commissioner himself recommended that we should provide for imprisonment. From my knowledge of the actual facts I can say it is necessary for the Chamber to deal with the matter as firmly as possible. I could quote from memory a number of cases I have had to deal with myself, and which have necessitated the department spending considerable sums of money, mainly as a result of our inability to take proceedings because of the way in which the Act has been interpreted by magistrates hearing those cases. Let me read what the Chief Protector of Aborigines stated in evidence before the Royal Commissioner—

> I shall give only the outlines: No names or places will be mentioned. I want you to appreciate the necessity for the removal of some of these children—not all—from their surroundings. I have to go back to 1909, because most of the beginnings of these things took place before my time, just as the beginnings of other things are taking place now, and the future Chief Protector will have the job of looking after the results unless something is done. In 1909 a white man was discovered with five half-caste children, the offspring of two aboriginal mothers. He was living with the two women. Nine years later—this being in my time—the number of these children had increased to 14. The eldest girl has produced six quarter-caste children to four white men. One of the younger girls has produced two. I have not kept the run of the remaining girls, this being impossible owing to the ramifications reaching all over the place.
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> Question 1859. In which district is that?—The Lower Murchison. Concerning another place, back of the goldfields, I learned in 1919 that a man was living with a native woman and had six half-caste children. I found that this position had been winked at by my predecessor, but it is the results that we have to deal with. There were two partners on this place, and each of those partners was responsible for one or some of these children. One of the partners died some time ago. The other partner maintained the offspring, but he died recently. One of the girls has had five illegitimate children, quarter-castes, by different white men. The father of the last two of these children is a married man who has a wife. The result, of course, in all these cases is departmental action. I have to take charge of those children. The next case I am about to tell you of is a dreadful example of what can happen on a station. No doubt you will guess the

place when I tell you the conditions, which have been proved to be correct. There are 20 natives, so called, on this place. There are two young native men, there are five native women —I am talking of full-bloods—and one full-blood child. There are three half-caste children. These children are not the children of the half-caste women, but the children of the full-blood women. There are seven quarter-caste children, the offspring of four half-caste women, one of these women being dead. The children's ages range from six to 16. A girl of 16 has a quarter-caste child. There are no old men and no old women on the place. They disappeared long ago, and, as I have said, there is only one full-blood child. Before my time, another white man lived with two native women, and had nine children. Now one of his sons has 10 children by two women, and the other sons are promiscuous. It has been said by a resident of the district that the State is supporting more of that man's children than other children in the district. From another station in the North-West I am removing three quarter-caste children of ages ranging from 14 years downwards. On the same station are two half-caste women both married to full-bloods. These marriages have been deliberate; they have been arranged by the station, in one case because one of the women was with child by a white man. She was married to a full-blood and sent bush. Another told me that she was married by a Chinaman; in other words, that the Chinese cook celebrated the marriage. Probably it was for a similar reason. There is another district —I will not mention its location—a circumscribed area where these conditions obtain. There is a full-blood woman with two half-castes. There is a white man looking after three children, five and seven years of age, and a baby, quarter-castes. There is another white man looking after three young children, of the ages of seven and six, and a baby. There is another white man with a half-caste boy of 10 years. There is a native woman with two half-caste children. All these cases are within one small circumscribed area. On another station, where we had to take action not long ago, there were two native women, and one of these women had six half-caste children by six different white men, whilst another had four half-caste children by two white men. Finally, there is one glaring instance which you have among your records. I have not the files, so I am not able to use them. I refer to a station in the South Carnarvon district. There are heaps of other cases where the conditions are not so glaring, where there are only twos or perhaps ones of these children; but I have adduced the other instances to show you that there is a good deal of sub-rosa business concerning which only the department know the details. I want to give these children a chance. I do not want to remove children wholesale from stations. I want to make them fit and able to work on stations; but these children, left to the devices of the men who fathered them, are going to be no better than those who have produced them and looked after them; in other words, they are going to be white natives.

There is much more of a similar character which I could read, but what I have said should be sufficient indication to the House that the time has arrived when we have to be particularly stern in this matter. While it may be possible for some young fellow to make a slip, there is provision in the Bill whereby a magistrate may take a lenient view. He may impose a minimum fine of £25. Unless we are prepared to do something of that sort, I am afraid our troubles are going to increase very rapidly. We have had instances where prosecutions have been laid, convictions obtained, and small fines amounting to shillings or a few pounds—in one case it was 10s. and costs—have been imposed: but these fines have not been a deterrent. Unless something can be done to prevent a continuance of existing conditions, the lot of the department, and particularly of the Minister and the Chief Protector, is going to be very difficult. In the Northern Territory within recent times it has been necessary to amend legislation of this character to such an extent as to do away with the fine, and to order imprisonment without the option. Now that we have an opportunity of amending the Act, we should take advantage of it and deal with this difficulty, which is at the very root of what we are pleased to call the aboriginal problem in Western Australia. It is purely a sex problem, and the sooner we deal with it, the better it will be. On the notice paper I have an amendment dealing with the question.

Hon. L. Craig: I am prepared to accept the amendment.

The CHIEF SECRETARY: I have tried to meet the objection put forward by Mr. Craig by reducing the minimum term of imprisonment from six months to three months, and the minimum monetary penalty from £50 to £25, leaving it to the discretion of the magistrate in the event of there being further offences as to what punishment should be inflicted, as between £25 and £50, and three months' and 12 months' imprisonment.

Hon. J. J. HOLMES: I have listened to what the Chief Secretary has said but, while admitting that it is a difficult problem, I am afraid that if we follow the Chief Secretary's suggestion, the position will be worse than ever. If we adopt Mr. Craig's suggestion, it means that discretionary powers as to the minimum penalty, either in

relation to imprisonment or a fine, will be left to the magistrate. If this House fixes a minimum fine and term of imprisonment, the chances are that we may defeat the purpose we have in view. The personal element enters into these problems, and the magistrate, in view of the surrounding circumstances and the provision of a minimum penalty, may be inclined not to convict. If, as Mr. Craig suggested, a maximum penalty were fixed of a fine of £100 or two years' imprisonment and it were left to the magistrate to fix a minimum penalty based on the evidence, the probability is that convictions would be recorded. The Chief Secretary told us that the Royal Commissioner did not approve of a fine at all, but that does not go very far with me because the Commissioner has told us that we will never deal with this problem from Perth. He says that on nearly every page of the report, and considers that the country must be split into sections and each section must be responsible for the treatment of the aborigines in that particular area. But we are retaining the present system except that we are doing away with the excellent term of Chief Protector and calling him Commissioner. If Mr. Craig will stick to his amendment, I will support it.

Hon. E. H. ANGELO: I cannot agree with the opinions expressed by Mr. Holmes. The Chief Secretary has put the position very fairly indeed. The existing state of affairs must be ended. The only thing I regret is that in this subclause there is no increased penalty, as in the second subclause. In the second subclause a much heavier penalty is provided for a subsequent offence. Mr. Holmes has expressed the fear that if the Chief Secretary's amendment is passed, magistrates may not convict. If that should happen, the Chief Protector, if he were doing his duty, would immediately appeal, but I am not afraid that magistrates are going to fall down on their jobs, for magistrates outback know as well as we do the horrible position that exists in some places—though, thank God, not on every station! I think the Chief Secretary has put the matter very fairly in reducing the penalties by 50 per cent.

Hon. J. J. Holmes: What is the difference between three months and six months? It is making a criminal of a man.

Hon. E. H. ANGELO: Some of these lads may be able to find £25 on the occasion of their first offence. It is not the moral aspect about which I am troubled, it is the health point of view, and we must let them know the risk that is being taken. It is the third and fourth generation in some instances that are punished, and therefore we must put this down. I consider the penalty suggested in the Chief Secretary's amendment should be accepted.

The CHIEF SECRETARY: I was sorry to hear Mr. Holmes suggest that because we had a minimum penalty of £25 or three months' imprisonment, magistrates would refuse to convict. Generally speaking, I consider that magistrates would convict on the evidence. That would be my hope, at any rate. Unfortunately, in the past where magistrates have convicted on the evidence, they have been too lenient altogether. I can quote instances of the results of this vexed problem. A woman on a Murchison station, half-caste, but living as an aboriginal, has been the mother of ten children fathered by at least four white men and one coloured man. She is now living with a white man by whom she is said to have had four children. Two children were removed by the department some time ago, the elder, a quarter-caste daughter, being still on the State. Another sister was found by the department on the streets in Perth not long ago, and an attempt was made to rescue her. On another station on the Murchison there is a half-caste woman deemed to be an aboriginal. She has six children to five different white men. One white man has already been prosecuted and fined £1, with £4 13s. costs. There are instances of white men having lived for years with aboriginal women. In some cases marriages have eventually taken place between the parties. Even after prosecution, conviction, and imprisonment, marriages have been arranged in some instances. And so it goes on. We should do something that would act more as a deterrent than has been done in the past. The penalty in the Northern Territory is £100 or imprisonment for three months, or both, where a person has been convicted for an offence of this nature, and the court can, in addition to inflicting the penalty, order that the license be cancelled. There cannot be anything more severe than that. Apparently, it has been found necessary there, as it has been found necessary here, to be as severe as possible. I do

not think that a penalty of £25 is at all too severe.

Hon. J. J. HOLMES: The Minister said that the trouble had been the leniency displayed by the magistrates. If we fix the minimum penalty at three months, the magistrates will still be lenient, and it will mean that they will not convict at all. That is the danger I see in fixing the minimum. You may fix the maximum at £500 if you like, but if you fix a minimum penalty, the scoundrels will be let loose. The Minister told us what has been done in the Northern Territory, but he has not given us one instance of a conviction under the Northern Territory legislation. The trouble is that the penalty has been too severe in the past, and consequently there has been no conviction.

Hon. A. THOMSON: Whilst I have no sympathy, and no desire, to exonerate those who commit breaches of what I may perhaps call good taste, I agree with Mr. Holmes that we should fix a maximum penalty and allow the magistrate to decide upon the seriousness of the offence in accordance with the evidence submitted to him. I have no sympathy with any person who will go into a native camp, but I am afraid that we are going to brand a young man who may, in a moment of indiscretion, bring himself under the provisions of this legislation, and render himself liable to a penalty, even with the Minister's amendment providing for a penalty of £25 or three months' imprisonment. Personally, I consider it is going too far. If it is intended to keep the southern part of the State separate from the northern part, and we are placing the natives in a reservation, then we can impose any penalty on a person who goes into the reservation.

Hon. H. SEDDON: I am inclined to support the Chief Secretary's amendment, the object of which is to protect the natives, and particularly the half-castes. Unless we have some minimum, the penalty will not act as a deterrent.

Hon. E. H. ANGELO: Mr. Holmes and Mr. Thomson have lost sight of the fact that the Act has been in existence for 30 years, and that it has allowed for small penalties. What has been the result? The Chief Secretary has read the result—a record that Western Australia can well be ashamed of. Unfortunately, it is not the people in the North who are responsible; it is only a very small percentage that has been responsible for that record. We must protect the good name of Western Australia, and we cannot do it if we allow the existing Act to continue. We must fix some minimum, and I think a penalty of £25 is reasonable for such an offence. I cannot agree that a magistrate would not convict. If the law says that a magistrate must impose a minimum penalty of £25, then that penalty must be imposed. I hope the Committee will agree to the Chief Secretary's amendment.

Hon. H. S. W. PARKER: I support the amendment moved by the Chief Secretary. Many of our Acts contain minimum penalties. The object of the clause is to prevent the evil rather than merely to punish the evildoer. The provision of a minimum penalty will do more to prevent the evil than anything else.

Hon. E. H. H. HALL: What is it the clause seeks to prevent? The act itself or are we more concerned with the results of the act? References have been made to the difficulty of policing legislation, and it seems to me that it will be extremely difficult to police this particular legislation to prevent a repetition of what the Chief Secretary has disclosed to the Committee. He informed us that one black woman had given birth to five children, all by different fathers.

Hon. J. J. Holmes: How do they know that?

Hon. E. H. H. HALL: I am just remarking upon what the Chief Secretary stated. There is nothing in the Bill on the point, but I wish the Royal Commissioner had embodied a suggestion in his report that action should be taken against such a woman that would prevent her from ever bringing children into the world again. I shall support the Minister's amendment.

Hon. L. B. BOLTON: The Chief Secretary's amendment is a very fair compromise. I have been staggered to learn of the alarming rate at which the number of half-castes is increasing. I commend the Government for the action they propose. I do not think the Bill goes far enough. No punishment is too great to impose upon men who go with these unfortunate human beings. I travel extensively through country that is over-run with aborigines and half-castes, and yesterday I stopped to have a talk with some of them. Their plight is

pitiful. It would not be too much to suggest that we take steps to sterilise these unfortunate young women.

The CHAIRMAN: Order! The amendment refers to imprisonment, not sterilisation.

Hon. J. NICHOLSON: I agree as to the seriousness of the position disclosed by the Chief Secretary whose laudable desire it is to accomplish something that will bring about a remedy of a very sad state of affairs. On the other hand, I also consider that, in the effort to provide that remedy, it is essential to look at the problem from every possible angle. The Bill is designed to make men moral by Act of Parliament, and I do not know how we can accomplish that end. We must go far deeper into the moral laws and into the life of the individual before we can hope to secure such a remedy. Habits have to be changed, and we have to remove from the individual the desire to gratify what is a natural impulse. If members think they can curb that by Act of Parliament, then——

The CHAIRMAN: Order! I think the hon. member is going from the practical to the academic.

Hon. A. Thomson: But he is quite right.

Hon. J. J. Holmes: You check him by giving him six months' imprisonment.

Hon. J. NICHOLSON: I want to get down to tin tacks. The position is also serious when we examine it from the standpoint of the young man in a way-back centre. He may start life there and may give way to nothing less than the simplest impulse of nature. This may occur to the son of any hon. member here or to my son. The young fellow may commit an offence that amounts merely to obeying a natural law or impulse and for doing so he will be branded as a criminal.

Hon. A. Thomson: That is the point about it that I do not like.

Hon. J. NICHOLSON: We propose to punish that young fellow for what? We fix a minimum penalty, although I admit the Chief Secretary proposes to reduce it to imprisonment for three months. I would not accept even that proposal with such haste as I have noticed that some members have indicated. The matter is worthy of deep consideration. We must realise the consequences of our actions. We would probably regret our haste if some of our own blood suffered the penalty that is proposed. If the stain of criminality were to be attached to one of our own family, we would probably regret having concurred in such a legislative proposal.

Hon. L. B. Bolton: What about the stain on the poor unfortunate woman? Does that not amount to anything?

Hon. J. NICHOLSON: I admit that the whole position is most serious, and I hope members will not think that I under-estimate it at all.

Hon. E. H. H. Hall: You know you cannot have an Act of Parliament to suit every individual case.

Hon. J. NICHOLSON: I admit that, but I shall not endeavour to pass into law something that will pretend to make men moral by Act of Parliament.

Hon. E. H. H. Hall: The whole thing is pretence, if it comes to that.

Hon. J. NICHOLSON: It would be wise for us to make haste slowly. I suggest that we provide the maximum penalty as indicated by Mr. Craig in his amendment and ascertain how that operates. Let experience be our guide in arriving at something more definite to check or stamp out the tremendous menace confronting the State. I appreciate everything that the Chief Secretary has disclosed, and the information he provided moves one to feel that there is one action only that we can take and that is to provide a minimum penalty. On the other hand, I think experience will be of great benefit in this matter. While I regret having to oppose the amendment moved by the Chief Secretary, I think it would be better to deal with it as I have suggested and let experience be our guide.

Hon. W. J. MANN: The debate seems to have centred on the question of the minimum penalty and members have been asked to prefer the maximum penalty. What type of case do members think would call for the imposition of the maximum penalty? The great fear expressed by Mr. Holmes and others was that magistrates would refuse to convict. That is a mighty poor recommendation for our magistrates. If they are men who, because of the provision of a minimum penalty of £25, are prepared to subvert their honesty of purpose and integrity and allow an offender to go free, the sooner we get rid of them and instal fresh magistrates the better it will be for the State.

Hon. J. J. Holmes: We are not discussing the penalty of £25, but the suggestion for three months' imprisonment.

Hon. W. J. MANN: At any rate, it is a pretty sad state of affairs. If our magistrates are so tender, I suggest that the minimum penalty be fixed at a fine of £10 or imprisonment for one month. The publicity given to such a case would be a sufficient deterrent. Publicity is the greatest penalty that can be imposed for many offences, and I believe it would be so in the cases in question. To fix the penalty at £50 or six months' imprisonment would be unduly harsh.

Hon. H. SEDDON: Some of the young men who go to the North possess a certain amount of principle and are prepared to lead a moral life. Others are not so disciplined and the temptation might prove too strong for them. If the offence involves a certain amount of disgrace, that will act as a deterrent, but there is also the point mentioned by Mr. Holmes that the offence is apt to be regarded too lightly, a fact which is to be deplored. With a view to overcoming that, an attempt has been made to fix a minimum penalty. I am inclined to support the penalty indicated by Mr. Mann.

Hon. V. HAMERSLEY: A lighter penalty should be provided. There is a tendency for young men to refuse to go into the back country. We know the difficulty of getting white men to go there, and a severe strain is being inflicted upon the people who are there. A fine of £25, or even of £10, would be fairly heavy, and we have to remember that a penalty of imprisonment would make it more difficult for stations to obtain the employees they require.

Hon. H. S. W. Parker: You are not suggesting that the gins are an inducement?

Hon. V. HAMERSLEY: Not at all.

Amendment (to strike out "six") put and passed.

The CHIEF SECRETARY: I move an amendment—

That "three" be inserted in lieu of the word struck out.

The CHAIRMAN: If members desire a smaller penalty, they will vote against this amendment, and then move in the desired direction.

The CHIEF SECRETARY: Mr. Nicholson is generally logical in his arguments, but I cannot follow his logic on this occasion. He said that if the matter were left to the discretion of the magistrate and he imposed a small penalty, the convicted person would not be a criminal, whereas if the minimum proposed were inflicted, we would make him a criminal.

Hon. J. Nicholson: That is, if an order were made for imprisonment.

The CHIEF SECRETARY: Mr. Nicholson desires something less than three months if the magistrate thinks fit. Mr. Hamersley's remarks would lend a good deal of colour to statements that one of the attractions of the back country to young men is that a certain amount of license is allowed.

Hon. V. Hamersley: I did not make that statement.

The CHIEF SECRETARY: In effect the hon. member did.

Hon. A. Thomson: He did not mean that at all.

The CHAIRMAN: The Chief Secretary would do better if he waited to see what opposition was raised to his amendment.

The CHIEF SECRETARY: I think I am in order in trying to persuade members that imprisonment for three months is not too heavy a penalty, and in doing so I am anxious to combat some of the statements that have been made. I might have attached the wrong meaning to Mr. Hamersley's remarks, but I venture the assertion that no other construction could be placed upon them.

Hon. V. HAMERSLEY: I am concerned about the development of the back country. If we impose a penalty of six months or three months, convicted persons will be taken from their work on the stations, and we shall be striking at the station owners, as it will be impossible to replace imprisoned employees.

Hon. J. Nicholson: The Chief Secretary said your statement contained an implication.

Hon. V. HAMERSLEY: People in the back country are subjected to a much more severe test than are those in the city. The young men are under a very great strain indeed, and if they make a slip, we should not provide a penalty so severe as might be stipulated in larger centres of population.

Hon. J. NICHOLSON: In reply to the Chief Secretary's statement that I was illogical, let me point out that by retaining a minimum penalty, it would be left to the magistrate, in his discretion, to award what he thought would fit the crime. That was sound reasoning, because the magistrate would have the whole of the facts before him, and could determine the penalty ac-

cording to the enormity or otherwise of the circumstances.

Amendment (to insert "three") put, and a division taken with the following result:—

Ayes	13
Noes	8
Majority for	5

AYES.

Hon. E. H. Angelo	Hon. W. H. Kitson
Hon. L. B. Bolton	Hon. W. J. Mann
Hon. A. M. Clydesdale	Hon. H. S. W. Parker
Hon. J. M. Drew	Hon. H. Seddon
Hon. J. T. Franklin	Hon. H. Tuckey
Hon. E. H. Gray	Hon. G. Fraser
Hon. E. H. H. Hall	(*Teller.*)

NOES.

Hon. L. Craig	Hon. G. W. Miles
Hon. C. G. Elliott	Hon. J. Nicholson
Hon. V. Hamersley	Hon. A. Thomson
Hon. J. J. Holmes	Hon. C. H. Wittenoom
	(*Teller.*)

Amendment thus passed.

The CHIEF SECRETARY: I move an amendment—

That in line 15 the word "fifty" be struck out, and "twenty-five" inserted in lieu.

I move this amendment in deference to the views of members.

Amendment put and passed.

Hon. J. J. HOLMES: The Committee must take the responsibility for having decided to go over the head of the magistrate who will hear the evidence of the case, and impose a penalty that may or may not be justified.

Clause, as amended, agreed to.

Clauses 27 and 28—agreed to.

Clause 29—Repeal of Sections 47 to 51 of principal Act:

The CHIEF SECRETARY: There is no necessity for this clause, as the sections concerned are already repealed.

Clause put and negatived.

Clauses 30 and 31—agreed to.

Clause 32—Insertion of new sections:

Hon. L. CRAIG: Some of the provisions contained in proposed Section 59 (e) are dangerous. For instance, a native may go away on a holiday, and may leave certain moneys due to him on the station. According to the wording of the proposed new section, that money must be sent to the Commissioner if it has been unclaimed for a month. The period is altogether too short.

Hon. J. J. HOLMES: This proposed new section 59 (e) speaks of property belonging to a native. It is very difficult to ascertain what property does belong to one of these people. I move an amendment—

That in Subsection (1) of proposed new Section 59E the word "belonging" be struck out and the words "known to belong" be inserted in lieu.

The CHIEF SECRETARY: I am in favour of the amendment, but would point out that this proposed new section is intended to apply only to natives who have absconded or have definitely left their employment. If the Crown Law authorities think the interpretation can be put upon these words that has been suggested, I will take steps to have them altered.

Amendment put and passed.

Sitting suspended from 6.15 to 7.30 p.m.

The CHIEF SECRETARY: I move an amendment—

That in proposed Section 59E the words "and any wages due to a native unclaimed for a period of one month after the same shall become due" be struck out.

I am rather inclined to think a mistake in drafting has occurred here. In preference to delaying the Bill for another day, I move the excision of the words; and, if necessary, they can be reinserted later. If the words remain, they are subject to the interpretation placed upon them by Mr. Craig, that if a native who is still in the employ of his employer is absent for a month and does not claim the wages, or even if not absent omits to claim the wages within a month, those wages will have to be paid over to the Commissioner—which is not intended.

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

Clause 33—Amendment of Section 60 of the principal Act:

Hon. J. J. HOLMES: The effect of the amendment proposed by paragraph (a) of the clause would be serious. Under the old Act the Governor's power was limited to making regulations as to payment of wages under agreements. That meant a specific agreement between the employer and the native. I do not mind that power, because the regulation refers only to agreements. However, some unscrupulous employer might make a definite agreement with some native which would not be understood by the native. The old Act empowered the Chief Protector to issue permits to employers to employ natives, but did not empower the Chief Pro-

tector to impose conditions as to rates of wages, hours of employment, and so forth. If the words "or permits" remain in the clause, Section 60 of the principal Act will read—

The regulation of payment of wages payable to natives under agreements or permits.

In the past the Chief Protector has been asked only to issue permits, and it has been left to the employer to impose the conditions of employment. We have it from Mr. Commissioner Moseley, and it is supported by the Chief Protector, that the one section of the community who have been looked after are the aborigines or natives employed on stations. If the words "or permits" are inserted, the Commissioner under the Bill will be constituted a judge of the Arbitration Court fixing, without any knowledge of the nature of the employment, rates of pay, hours to be worked, and other conditions. He would do these things without any evidence before him. I would not mind giving that power to the present Chief Secretary, or perhaps to the present Chief Protector; but we may again reach the stage which was reached once before, when some keen member of some Government wanted to push all the natives off the stations so that in their places white men might be employed. At one time there was a Minister who dispensed with the services of the Chief Protector of Aborigines. The appointment was a statutory appointment, and the office could not be abolished. I was chairman of a select committee which inquired into the subject, and the best reason for the Chief Protector's retirement that we could evolve was that that Minister wanted the natives put off the stations and that the Chief Protector would not do it. Without abolishing the office, which could not be abolished, the then Government dispensed with the Chief Protector's services. We had before the select committee, which sat for several days, the Government representative; and we got down to this, that it was not an office which could be abolished, and that the Government could not get rid of the Chief Protector unless he committed an offence under the Public Service Act, or unless he had reached the age of 65 years, or unless there was a doctor's certificate stating that he was not fit to go on. Still, that Chief Protector went, all the same. I am not prepared to give to any Minister to follow, or any Chief Protector or Commissioner—the term "Chief Protector" is lost—to follow the power proposed by the amendment, lest the same set of circumstances should recur. The Chief Protector in the past has to a large extent neglected natives not employed on stations, the only excuse being—if it is an excuse at all—that the Government would not provide him with sufficient funds. There is nothing in the clause to provide any funds at all. Therefore I ask the Committee to vote against the proposed amendment.

The CHIEF SECRETARY: Regulation H reads—

Regulating the payment of wages payable under agreements or permits.

The omission of the words "or permits" from the original Act was a mistake. At that time the omission was not a very serious matter, because the employment of most natives was under the form of an agreement, and there were few permits. The agreements contained the conditions under which the natives were to be employed. Since then, however, we have travelled 30 years, and are confronted with the problem upon which we have been spending so much time. Throughout the State there are numbers of natives, including half-castes and quarter-castes, who are in employment. In the majority of cases where they are employed under permits, the conditions are stipulated before the permit is issued.

Hon. L. Craig: In future all natives will be employed under permits?

The CHIEF SECRETARY: They should be at the present time. If the Bill passes, all natives will have to be employed under permits.

Hon. V. Hamersley: It is a dangerous principle.

The CHIEF SECRETARY: This will not affect the employment of natives in the way suggested. We cannot supply the demand for boys and girls trained at the Moore River Native Settlement.

Hon. V. Hamersley: All half-castes.

The CHIEF SECRETARY: Mostly.

Hon. J. J. Holmes: Is that not a disadvantage to white boys?

The CHIEF SECRETARY: I do not know that it is. With the employer who has a permit to employ one of those boys we arrange that he shall pay certain wages.

Hon. L. Craig: That could be done under a permit.

The CHIEF SECRETARY: It could, but the employers do not care for permits. They make arrangements with the Chief Inspector that the wages shall be, say, 10s. a week and keep, and they agree to pay, say, 2s. 6d. per week pocket money. The balance is paid to the Chief Protector, who places it in the trust account upon which the boy or girl can draw, provided the Chief Protector approves.

Hon. E. H. Angelo: That is being done now.

The CHIEF SECRETARY: Yes.

Hon. L. Craig: And without the word "permit."

The CHIEF SECRETARY: Yes, and we are legalising that by this amendment. It is necessary the Chief Protector should have that power, for experience shows that there are unscrupulous employers who would not stand by the arrangement they had made.

Hon. L. Craig: Well, they would have broken their contract.

The CHIEF SECRETARY: That is so, and it is necessary that we protect the interests of the natives by that means.

Hon. L. Craig: I do not see why it should not be done without the word "permit."

The CHIEF SECRETARY: What difference does it make? We are endeavouring to legalise that position.

Hon. L. Craig: It is a very dangerous power.

The CHIEF SECRETARY: One gets a general permit to employ so many men, but there are so many other cases where it is necessary to protect the interests of the individual.

Hon. L. Craig: Could not that be done as an agreement, without a permit?

The CHIEF SECRETARY: Yes, but the employers do not care for that method. I believe there are only five agreements in existence at present. I think it will be found that the permit is much the better method from an employer's point of view. I would not agree to any of those trained boys and girls going out to any employer except under conditions laid down by the Chief Protector. We are doing that now, and this provision will legalise it. The regulation under the Act provides for wages and conditions under an agreement. We want to include permits. I could quote scores of cases where we have sent young people out to employment under conditions such as I have described.

Hon. L. Craig: That ought to be, not under a permit, but under an agreement.

The CHIEF SECRETARY: The permit is the general method adopted by the employer. He wants a permit to employ a certain individual, and in most cases the name of that individual is stated on the permit.

Hon. J. Nicholson: It may be a permit to employ generally.

The CHIEF SECRETARY: Yes, 20 or 30 or 40, as the case may be. In the South-West we have men and women and boys and girls employed as individuals by individual employers. Not so many permits have been applied for as might be expected, but when the Bill is passed, we shall be more careful in that regard. Where an employer desires to employ a certain person——

Hon. L. Craig: Let him make a definite agreement.

The CHIEF SECRETARY: I have no objection to the agreement, but the method most appreciated by the employer is the permit, and so we desire to include permits as well as agreements for that purpose. I cannot see any harm in it.

Hon. J. J. HOLMES: I have been approached by employers of native labour in the North, who look on this amendment as being the Bill. The Chief Protector, if he so desires, can under a permit impose conditions that will prohibit the employment of aborigines in the North. The Act gives the Governor-in-Council power to make regulations as to agreements. In the South, agreements are all right, but for the North the existing legislation gives the Chief Protector power to issue permits without any condition whatever. The provision will give the Commissioner a power that he never had before, namely to lay down the conditions of employment and the rates of wages. Mr. Moseley, in his report, said that money was of no use to the natives. What they want is what they have now, namely, permanent employment on the station, horses to ride and as many meals a day as they like for themselves and their friends. If we agree to this amendment, we agree that the Commissioner shall become an Arbitration Court judge, with full control of wages and employment. If this becomes law, we shall never get it back, and we shall have the con-

ditions of employment of aborigines defined by a Commissioner without knowledge of the facts or of the capabilities of those concerned.

Hon. L. CRAIG: I think a general permit to employ individual natives is not enough. The natives that have been trained in Government institutions should be employed under the same conditions as are children sent out from an orphanage. The conditions of employment and the wages are definitely stated in an agreement which the employer must sign. Moreover, under an agreement, provision should be made for a definite rise in wages periodically. A general permit is not sufficient for the individual. To give the Commissioner power to dictate the terms of employment on a station would be a very drastic step to take. It would be dangerous for the Commissioner to attempt to lay down the scale of wages for natives. I have known a native, an exceptional man, to be paid £3 per week and earn every penny of it. But the Commissioner could not understand one native being more valuable than another. As for the half-castes, the department has all the power it requires under an agreement. I am going to propose that the words "or permits" be deleted.

Hon. E. H. ANGELO: I cannot vote to give the Commissioner the right to say what wages are to be paid to natives in the North-West. The legislation under which we have worked has lasted for 30 years. If the Bill becomes law it may go on for another 30 years. Ministers come and Ministers go, and commissioners will probably come and go, too, and we do not know how the next Minister or Commissioner is going to look on the power conferred on him by this suggested amendment. It is too big a power to give the Commissioner. In Mr. Moseley's report we are told of one outstanding pleasing feature, and that is that natives on the stations are well looked after. Why not leave well alone and, in this particular instance, stick to the old Act, which has worked so well? If next year or the year after the Government find the position altered and that the natives have not been well looked after and decently treated by the pastoralists, a small amendment may be introduced.

The CHAIRMAN: There is no amendment before the Chair.

Hon. J. J. HOLMES: I move—

That in line 2 of paragraph (a) all the words after "natives" be struck out.

The CHIEF SECRETARY: If the hon. member is successful in his amendment, it will mean the department will have the power to regulate wages to natives employed under agreement. This is a Bill to amend an Act which seeks to protect the interests of natives. Under the existing Act there is a provision whereby an employer may enter into an agreement to employ one or more aborigines. Section 22 of the Act provides the method by which an agreement shall be entered into between an employer, the Chief Protector and an aboriginal. It states—

No agreement with an aboriginal, or with a male half-caste under the age of 16 years, or with a female half-caste, for any service or employment, shall be of any force or validity as against such aboriginal or half-caste unless such agreement (a) is witnessed and truly dated by a justice of the Peace, a protector, a police officer, or other person authorised by the Minister to attest agreements; (b) is endorsed by such witness with a certificate that the agreement was fully explained by him to the aboriginal or half-caste, and that he appeared to fully understand same, to be a free and voluntary agent, and physically fit for the work specified; (c) is signed or marked by the employer and by the aboriginal or half-caste, (d) specifies the nature of the service or employment, the period of the service, and conforms in every respect with the particulars specified in the permit; (e) stipulates for the supply by the employer to the aboriginal or half-caste of substantial, good, and sufficient rations, clothing, and blankets, and also medicines and medical attendance when practicable and necessary.

There are other clauses dealing with the questions of agreements. If we are going to enforce these conditions by means of agreements, we are going to compel the employer who desires to employ only one native, to go through the whole of that formula, and I am afraid a number of employers will say that it is not worth the trouble. Mr. Holmes allowed his imagination to run riot when he suggested that we desired to fix wages, conditions, hours of labour and that sort of thing so far as the stations are concerned.

Hon. J. J. Holmes: Will not the amendment give you that power whether you desire it or not?

The CHIEF SECRETARY: We can refuse a permit to-day unless an agreement is entered into. If we desire to inflict those conditions there is nothing to stop us at the present time. It has never been done and is not likely to be done.

Hon. J. J. Holmes: You can only speak for yourself.

The CHIEF SECRETARY: I am speaking of my knowledge of the administration of this particular Act.

Hon. J. J. Holmes: Why then do you want this clause?

The CHIEF SECRETARY: Because a permit is much simpler. Arrangements are made for a permit to be issued to a man to employ a native under certain conditions, and there is not the same trouble to be gone to as in the case of an agreement as laid down by the Act. It is not only the Chief Protector who issues these permits. Every protector throughout the State has power to do so.

Hon. L. Craig: What is a permit but an agreement?

The CHIEF SECRETARY: There is a distinction under the Act.

Hon. J. J. Holmes: No conditions are imposed under permit.

The CHIEF SECRETARY: We desire to obviate a good deal of the trouble employers would be put to if we had to insist that they enter into agreements, because the simple conditions I have spoken of can be endorsed on the permit. This clause is in the interest of the employers and not the natives, yet the hon. member is standing in the way of our doing something for the employers.

Hon. J. J. HOLMES: The Minister has quoted Section 22 of the Act. May I point out that that all deals with agreements? The House is in accord with the Minister that when a person employs an individual native there should be an agreement. Hundreds of natives have been employed, however, and hundreds of their so-called relatives have been kept by the stations. According to the Commissioner's report, they are contented, and they are all working under permits on which no conditions are imposed. It is now desired to give the Chief Protector power to impose any condition he likes, power which I think no individual should have. I hope things will be left as they are.

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

Ayes	.. .. ..	13
Noes	.. .. ..	5
	Majority for ..	8

AYES.

Hon. E. H. Angelo	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. Craig	Hon. A. Thomson
Hon. C. G. Elliott	Hon. H. Tuckey
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. J. J. Holmes	Hon. H. Seddon
Hon. W. J. Mann	*(Teller.)*

NOES.

Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. Fraser
Hon. E. H. Gray	*(Teller.)*

Amendment thus passed; the Clause, as amended, agreed to.

Clauses 34 and 35—agreed to.

Clause 36—Principal Act with amendments to be reprinted:

The CHIEF SECRETARY: I move an amendment—

That in line 3 all the words after "Parliaments" be struck out, and the following inserted in lieu:—"(2) In any such reprint—

(a) the sections and subsections shall be renumbered in arithmetical order, the paragraphs shall be renumbered or relettered in alphabetical order and the cross references adjusted, and suitable marginal notes shall be made in the margin of each section.

(b) the words 'in respect of State children by the State Children Act, 1907,' in section fifty-five A of the principal Act shall be altered to read 'in respect of wards under the provisions of the Child Welfare Act, 1907-1927,' and the words 'three hundred and eighty or four hundred and forty-nine of the Criminal Code' in section fifty-nine B shall be altered to read 'three hundred and eighty-two or four hundred and fifty-two of the Criminal Code.'"

(3) The short title of any such reprint shall be the Native Administration Act, 1905-1936.

The amendment, which speaks for itself, is merely consequential.

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

Postponed Clause 13—Amendment of Section 17 of the principal Act:

The CHAIRMAN: Mr. Hamersley had moved an amendment to strike out paragraph (c).

The CHIEF SECRETARY: Mr. Parker raised the question about the word "employment" in paragraph (c), which reads "in this section 'employment' means not only employment as a servant" and so on. Mr. Parker pointed out that there was no such word as "employment," and to put the paragraph right it is necessary to use the words "to employ" in line 31. It will be necessary to do the same thing in lines 32 and 33.

Hon. V. HAMERSLEY: At a previous sitting I moved to strike out paragraph (c) because to me it appeared that to employ a native to do odd work meant an engagement or a contract to perform work or services. The natives come along and they are given an opportunity to catch rabbits and foxes. They are also sometimes told that they can collect the wool off the carcases of sheep. Would that be employment? My reading of it is that it certainly will come under that heading, and I object to it.

The CHIEF SECRETARY: The hon. member is expressing fears which are groundless. There have been instances where natives have been engaged to do work for payment, and frequently we have had requests from the natives to collect the payment which has been refused to them. Then immediately the matter is taken up by the department, the argument is that it was a contract. There have been instances where natives have been employed for long periods of time, and afterwards have been told there was nothing due to them because so much tucker had been supplied that they had eaten out the money they had earned. We knew that that was not true, and because of the difficulties of the supposed contract entered into, there was no redress. In such cases we should have the right to protect the interests of natives and see they get that to which they are entitled.

Hon. V. HAMERSLEY: I still fear that if I permit a native to collect the wool off a dead sheep, I will be employing that native. The native would receive payment for that wool, on selling it.

Hon. C. F. Baxter: Then that would not be employment.

Hon. V. HAMERSLEY: I claim that if anything happens to the native in the carrying out of such a service, say, for instance, he got tetanus or met with an accident, the Chief Protector would immediately put in a claim for compensation against the person on whose property the native was collecting the wool. They are not employees, but I think the person who provides natives with such an opportunity will impose upon himself a distinct liability. I do not think paragraph (c) should be retained.

Amendment put and negatived.

The CHAIRMAN: Under Standing Order 131, it will be necessary for the Minister to recommit the Bill to-morrow if he desires to move his amendment.

Clause put and passed.

Postponed Clause 21—Insertion of new sections:

The CHIEF SECRETARY: The clause was postponed on account of a misunderstanding, I think, of what is intended.

Hon. J. J. Holmes: It is a matter of bad drafting.

The CHIEF SECRETARY: I have no objection to sub-paragraph (iii) of Subclause 3 of proposed new Section 33B being transposed, so as to take the position of subparagraph (i).

Hon. C. F. Baxter: What difference will that make?

The CHIEF SECRETARY: No difference at all, but it will satisfy those members who may have thought there was some ulterior motive in the order of the subparagraphs.

Hon. C. F. Baxter: The meaning will be the same.

The CHIEF SECRETARY: Exactly, but it will give some members the satisfaction they desire.

Hon. J. J. HOLMES: If the Committee agree to transpose the paragraphs the subparagraphs will then appear in their proper order, for surely the first thing to do is to send the native, who may be ill or injured, to the nearest and most accessible hospital.

The CHIEF SECRETARY: I have no objection whatever. Within the last few days an instance was reported that shows the necessity for each of the sub-paragraphs. A station owner reported to a protector that there was something wrong with one of his native employees. The protector, who was a first-aid man, told the station owner to send the native to him, so that he could ascertain what was wrong. The native was transported 80 miles to the protector, who immediately examined him and sent the native to hospital at once. That instance shows that all the subparagraphs are necessary, particularly in respect of employers who are not prepared to do the right thing.

Hon. J. J. Holmes: That employer should have sent the native to hospital straight away.

Hon. L. Craig: Suppose that protector had not been a first-aid man, what was the obvious thing to do?

The CHIEF SECRETARY: To send the native direct to hospital. I emphasise that the whole of the subclause is necessary.

Hon. G. W. MILES: I do not consider the alteration of the order of the sub-paragraphs necessary at all. A station owner will naturally send the native to the protector or to the hospital, whichever happens to be the nearer.

Hon. J. J. HOLMES: I cannot understand Mr. Miles. If I have a native on my station who is sick, surely my first duty is to send the man to hospital, irrespective of the expense involved. The instance mentioned by the Minister shows that the protector immediately ordered the man into hospital. The native might have died on the road. Time is the essence of the contract in many such cases. I move an amendment—

That all the words after "shall" in line 5 of Subclause 3 of proposed new Section 33B be struck out.

The CHIEF SECRETARY: If the amendment is agreed to, I shall have the sub-paragraphs re-drafted in the order desired and will move for their inclusion when the Bill is recommitted.

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

Bill again reported with a further amendment.

BILL—STATE GOVERNMENT INSURANCE OFFICE.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [8.42] in moving the second reading said: The purpose of the Bill is to bring the State Government Insurance Office under the provisions of the State Trading Concerns Act, 1916. The Bill seeks to validate all past transactions of the office and to authorise the continuation of its operations in respect to accident insurance business, including workers' compensation, employers' liability, and ordinary accident insurance. Provision is also made for the extension of the office's activities to other types of insurance business, subject to the authorisation of the Governor by Order-in-Council, and for the establishment of the State Insurance Office as an incorporated insurance office for the purposes of Section 10 of the Workers' Compensation Act, 1912-1934. The State Government Insurance Office has been in existence under the control of the Government Actuary since 1926, and the reasons for its establishment are well known. At that time the Government had decided to proclaim that section of the Workers' Compensation Act which relates to the payment of compensation to sufferers from miners' diseases. A committee set up to investigate the position recommended the payment of a premium to cover this liability at the rate of £4 10s. per cent., which the private companies claimed to be inadequate. In the ensuing deadlock, negotiations between the Government and the companies concerned proved fruitless; then, finally, the private offices gave notice to the mining companies of their intention to terminate their contracts. To protect both employers and employees in the goldmining industry, Government action became imperative, and it was to this end that the State stepped in and established its own insurance office. Since then the business of the office has been transacted with uniform success, notwithstanding that the premium charged has been considerably below the rate suggested by the private companies.

Our experience of State insurance has been only that of other countries with similar establishments. In Queensland, New South Wales, Victoria, New Zealand and many of the States of America, State insurance offices have operated for many years with corresponding benefits to the community. Indeed, wherever the State has embarked on the profitable business of insurance, there has resulted either an increase in the benefits of those insured with the State offices, or a substantial reduction in the premiums charged by private companies. An analysis of the operations of the Western Australian office over the last two years shows that it has thoroughly justified its existence—

Accident Department, excluding all Government workers.

Year.	Premium.	Claims Paid.	Administration Expenses.	Profit.
	£	£	£	£
1934–35	174,419	148,033	3,148	25,657
1935–36	242,996	173,022	3,796	68,246
	Fire Insurance Department.			
1934–35	1,649	631	346	1,267
1935–36	1,875	1,678	393	217

The reserves accumulated by the State Insurance Office to the 30th June, 1935, are—

	£
State insurance trust fund, including miners' phthisis	326,251
Government workers' compensation fund	35,072
Fire insurance fund, including motor car insurance	44,809
Marine insurance fund	4,390
Total	£410,522

Hon. G. W. Miles: How are the reserves invested?

The HONORARY MINISTER: I will tell the hon. member that in Committee. At the 30th June, 1935, the amount of reserve to the credit of the Government workers' compensation fund was as low as £900. From the figures, it is apparent that the operations of the State Insurance Office have been conducted in an eminently successful manner, notwithstanding that the office was established without the assistance of any money appropriated by Parliament. Further, it will be remembered that the office has been able to carry on its operations without Government assistance ever since its inception. Although a certain amount of criticism was levelled at the Government of the day who established the office, the succeeding Government wisely refrained from interfering with it.

Hon. G. W. Miles: Weakly refrained.

The HONORARY MINISTER: I said "wisely." They found, in fact, that the office was essential to the necessities of the people. Under Section 10 of the Workers' Compensation Act, insurance is made compulsory for every employer, and each incorporated insurance office must be approved by the Minister. Since the incorporated insurance offices do not give a complete cover under the Act, they have not been approved by the Minister; consequently, some difficulty is experienced in enforcing the compulsory provisions of the Act.

Hon. J. J. Holmes: The Minister could create a monopoly by refusing to approve of private companies.

The HONORARY MINISTER: The Bill, therefore, proposes to bring the State Insurance Office within the compass of incorporated offices approved by the Minister for the purpose of Section 10. This proposal will place the State Insurance Office in a position to enforce the compulsory provisions of the Workers' Compensation Act. A further proposal to give to the Executive Council the power to extend the ambit of the State Insurance Office to embrace general insurance business is by no means a novel provision. Not only in other States of Australia, but in other countries of the world, State insurance offices have successfully operated on a general basis for many years.

Hon. J. J. Holmes: Is it a fact that you put up the rate 100 per cent. to a big company on the goldfields?

The HONORARY MINISTER: I have some figures which will, I think, convince the hon. member that he ought to support the Bill. It is not uncommon in America for some of the State-owned offices to hold a complete monopoly over certain branches of insurance. No monopoly proposals are embodied in this Bill, which merely provides that the State shall be permitted to enter into competition with privately owned companies. I think that answers a question asked by Mr. Holmes. Having regard to the history of every State-owned office in the world, and the advantages that have accrued to the community in general as a result of such activities, it must be urged that this proposal, if enacted, would be of obvious benefit to the people of the State.

Hon. J. J. Holmes: Can you tell us what advantages would be gained?

The HONORARY MINISTER: The hon. member will be convinced on that point before I have finished my speech. I would cite the result of the establishment of a State Office by a Victorian Government as far back as 1914. This office operates in competition with other companies, and the policies issued by it are guaranteed by the Government. The first result was a considerable reduction in the premiums charged by the private companies. Despite the reduction in premium rates, the State office has not only distributed £116,000 in bonuses to its clients to the end of June, 1935, but, further, has built up a reserve fund of £96,000, and accumulated profits totalling £223,000, as from the time of its establishment. Again, in Queensland, the State Insurance Office reduced the premiums by 33⅓ per cent. soon after its establishment. Although that office showed a loss of £49,000 in the ordinary section of the workers' compensation department, this was more than offset by profits of £70,000, £12,000, £10,000, and £3,000 made in the fire insurance, the miners' phthisis section of the Workers' Compensa-

tion Act, the miscellaneous accident and the marine departments respectively. Further support is lent to the proposal to permit the extension of the scope of our office by the success that has attended the transactions of the State Insurance Office in New Zealand. Last year, the New Zealand office, which carries on business in competition with 52 private companies, made a profit of £80,000 in its accident and fire departments. For the last 13 years the office has operated a system of paying rebates to policy holders. During that period policy holders have benefited to the extent of £346,000. Needless to say, the insuring public would have paid that amount, and probably a good deal more, had they been unable to avail themselves of the services of the State office. At the 31st December, 1935, the total assets of the fire insurance section of the New Zealand office amounted to £1,139,000. It is estimated that, since its inception, the operations of the New Zealand State Insurance Office have saved the insuring public and the taxpayers a sum of not less than £13,000,000. I stress the point that State offices have done more than force a reduction in the cost of premiums. By their heavy accumulation of profits, they have relieved the taxpayers of a considerable burden of taxation that otherwise would inevitably have fallen upon them. Taking as a guide the experience of State-owned offices in other parts of the world, it is apparent that a State office can operate on an expense ratio far lower than that of a private company. When it is considered that the main object of a State-owned office is to provide insurance benefits to the community at the lowest possible premium, while the main object of private insurance companies is to make at least reasonable profits, this result is not unexpected. Again, it is inevitable, where a multiplicity of insurance companies serve a comparatively small community, that large sums of money should be expended merely in fighting for business. For example, in Western Australia there are approximately 70 private companies operating. Published statistics show that their administrative expenses account for between 35 per cent. and 40 per cent. of the premium income. The following table dealing with workers' compensation insurance covering the years 1934 and 1935 sets forth a comparison of the operations of the State Insurance Office in Western Australia with the private insurance companies operating in the State:—

——	1934.		1935.		Totals.	
	State Insurance Office.	Insurance Companies.	State Insurance Office.	Insurance Companies.	State Insurance Office.	Insurance Companies.
	£	£	£	£	£	£
Premiums received	128,335	143,647	174,419	153,494	302,754	297,141
Claims paid	111,407	116,691	148,033	136,689	259,440	253,380
Administrative expenses ...	2,636	52,935	3,148	57,049	5,784	109,984
Ratio of claims to premiums	86·8 %	81·2 %	85 %	89·5 %	85·9 %	85·3 %
Ratio of administrative expenses to premiums	2·1 %	36·7 %	1·8 %	37·1 %	1·9 %	36·9 %

Hon. G. W. Miles: One was without and the others were with rent and taxation.

The HONORARY MINISTER: That is a remarkable comparison in favour of State insurance. In insurance generally, as carried on by private companies, the ratio of expenses to premiums is somewhat higher, as the following table discloses:—

Insurance Generally, including Fire, Marine, etc., but excluding Life Business.

Premiums received	£790,190
Claims paid	£306,776
Ratio of claims to premiums	38·8 %
Commission paid to agents	£112,965
Other expenses	£238,028
Ratio of expenses to premiums ...	44·4 %

An examination of the table shows that, while the administration charges of the State office in respect to workers' compensation were under 2 per cent. of the total premium income, those of the private companies amounted to 37 per cent. of the total premium income. Of course, the percentage for the State Insurance Office should be slightly adjusted to make the two figures strictly comparable, in that no provision has to be made by the State office for rent and income tax; but, nevertheless, at the most, this figure could not be legitimately increased beyond 7 per cent. or 8 per cent.

Hon. J. J. Holmes: Do you not insure all Government property, and then charge any rate you like?

The HONORARY MINISTER: That is hardly the position. I would like to dissipate a certain common misconception that seems to be entertained regarding the sum held in reserve in the Fire Insurance Fund of the State office. Critics have been under the impression that all fire risks have been carried by the State. No such position obtains. Only a small portion of the risk is carried by the State office, the rest being spread over a wide field. The maximum liability carried by the State office on any one risk is £750. In the circumstances, the amount held in reserve is deemed sufficient to cover all eventualities.

Hon. J. J. Holmes: What is the amount in reserve?

The HONORARY MINISTER: I have given the figures.

Hon. G. W. Miles: You said it was £400,000. Goodness knows what it is invested in.

The HONORARY MINISTER: This is a story of fact. The figures are audited by the Auditor General, and certified to by him.

Hon. J. Cornell: It reads like a romance.

The HONORARY MINISTER: It is a romantic tale, and one of the great State successes. There can be no question of the benefits accruing to the people where the Government enter the field of insurance business. This right of the State to engage in insurance business has been established for years, not only in other States of Australia, and in conservative New Zealand, but in America as well. It cannot be charged that State competition is unfair. As it is, effective competition amongst the private companies in respect to premium rates is negligible, and the public have virtually no protection in their general insurance transactions. In commending the Bill to the consideration of members, may I reiterate that the measure merely seeks to provide the community with the opportunity to obtain insurance protection at reasonable rates and under reasonable conditions. The operations of the State Insurance Office present a just claim on behalf of that institution for recognition at the hands of members. It makes a claim upon them to vote for the Bill. Although I anticipate there will be some opposition to it, I challenge the opponents to present a counter statement that will break down the financial position as I have set it out on behalf of the Government Insurance Office. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. Baxter, debate adjourned.

House adjourned at 9.4 p.m.

Legislative Assembly.

Tuesday, 13th October, 1936.

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

QUESTION—AGRICULTURAL BANK.

Reduction of Principal and Interest.

Hon. N. KEENAN asked the Treasurer: 1, Is he aware that some time prior to the 16th June, 1936, the Commissioners of the Agricultural Bank of Western Australia purported to reduce, pursuant to Section 65 of the Agricultural Bank Act, 1934, the indebtedness of certain group settlers, who were clients of the Bank, in respect of principal moneys and interest due by such group settlers to the Bank, and that the Commissioners gave notice of such reduction to such group settlers on or about the 16th June, 1936? 2, Did the Commissioners obtain the consent of the Treasury and ap-