it. I say these things without boasting, because it is not matter for boasting that they had to be done. I regret that they had to be done. Sometimes I think more yet will have to be done, because the position of the farming areas will not improve if prices remain as they are.

The great trouble to-day is not any Government neglect. The settlers' difficulties to-day are not due to lack of sympathy on the part of the Government. The settlers' difficulties to-day are seasons and prices, matters over which the Government has no control whatever. The Government has been succouring and helping the industry, and in that respect has done good work for the people of Western Australia. I am sure the assistance we have given to settlement has never been paralleled by any other Administration. That is all I have to say. I hope that the drought in the wheat belt and other areas will end, and that there will be happier times, because those settlers have suffered great distress. I can fully understand the feelings of men who year after year have put in crops and before harvest time have realised that those crops will not mature. I can understand the feelings of men who in the past have given their lives and all their activities and all their strength to building up an industry which has failed them. As for myself, having done my best for this department and for the people, I shall continue to do it in the future; and I trust that in a very few years all of the settlers will overcome their difficulties.

Progress reported.

House adjourned at 10.55 p.m.

Legislative Council,

Tuesday, 27th September, 1938.

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

QUESTION—KING'S COUNSELLORS.

As to Order in Council.

Hon. C. F. BAXTER asked the Chief Secretary: As, according to an Order in Council made in 1900, all appointments as Queen's (King's) Counsellors were to be made on the recommendation of the Chief Justice—1, Has this Order in Council been amended? 2, (a) If so, in what respect? (b) On what date.

The CHIEF SECRETARY replied: 1, Yes. 2, (a) By providing that "it shall not apply to any person who is a senior Law Officer of the Crown, viz., the Solicitor General or the Crown Solicitor, and the Governor may act on his own initiative in appointing any such person as King's Counsel." (b) 10th February, 1936.

BILL—STATE GOVERNMENT INSURANCE OFFICE.

Second Reading.

Debate resumed from the 20th September.

HON. C. F. BAXTER (East) [4.33]: If my memory serves me aright, this represents the seventh State Government Insurance Office Bill that has come before us. The measure now submitted to the House, however, is restricted in character compared with its predecessors. For that reason, some members may feel disposed to favour it in its present form. I have always stood foursquare against the extension of State trading concerns. Just now when the situation is particularly acute, more than ever is it necessary that Parliament should prevent any further incursion into that field. Year

after year the civil service has been built up both in numbers and in cost. I wonder when we shall reach finality, and how the wherewithal will be found to continue financing the affairs of State. Quite recently an innovation was introduced to give civil servants a five-day week. We are told that, despite the introduction of national insurance, a superannuation measure, which has been too long delayed, will be introduced for the benefit of the civil service. Each one of these additions to the civil service is gradually creating an unwieldy situation. The whole business is very costly. Some people maintain that departments should be controlled as economically as can an outside concern. That is not right, and never can be right. Those of us who have had Ministerial experience know how impossible that is. We understand the ramifications of Government departments, which are of necessity more costly to administer and more unwieldy than they would be if they were under private control.

We have the peculiar position occasioned by each one of these State trading concerns. Any extension into that field will add to the difficulties with which the State is confronted. The whole matter is one that should be reviewed. We are getting away from what was intended when Western Australia was given self-government. That privilege was accorded to us so that we might develop the State, not that we might embark upon State trading concerns. We have gone quite outside the realm of sane government. The Bill may appear to some people to be very innocent, but it is not so to me. In the first place, it creates a monopoly. After perusing the measure, I have failed to find any means of amending it so as to preserve the element of competition between the Government department and outside companies.

Hon. L. Craig: You say definitely that the Bill will create a monopoly; you mean it may do so.

Hon. C. F. BAXTER: I say it will.

Hon. L. Craig: I cannot read that into the Bill.

Hon. C. F. BAXTER: The hon. member will find that it is so. In this State are many associated companies, and there are six which are not associated but work in opposition to the others. There are also numerous life insurance companies, all of which should be allowed to operate in competition, instead of there being a State monopoly. Members may well ask where the Bill starts, and then endeavour to ascertain where it will end.

Hon. J. J. Holmes: Not where the Bill will end, but where the Government will. This insurance office was started without authority.

Hon. C. F. BAXTER: Without any legal authority, and on wrong premises. I want the hon. member to understand that it is difficult to make any alteration to the Bill. The State Insurance Office was started illegally and has been carried on without authority. In addition, Parliament has shown the Government for a long period of years that it is opposed to the carrying on of insurance business by the State. The Bill now proposes to ratify all that the State Insurance Office has done, and Heaven knows how far, under Clause 6, that ratification may extend. It is all very well to say that the measure should cover only personal accident, disease or sickness, compensation under the Workers' Compensation Act, compensation under the Employers' Liability Act, and compensation or damages at common law, as mentioned in Clause 2. I do not think the State Insurance Office should be given legal status. Goodness knows how such a principle will be extended. That is the position, and I want members to realise what will happen if the Bill is passed. Assuming a majority is in favour of the second reading, then I would ask the majority what the position will be regarding the creation of a monopoly. To give a monopoly to any insurance office is not right. Let all insurance offices compete for the business and so keep the charges down to a reasonable level. I cannot see how this will be accomplished if the Bill passes. The Bill cannot be amended in such a way as to meet that situation, because it is controlled by the Workers' Compensation Act. What is necessary is an amendment of Section 10 of the Workers' Compensation Act. Later in the session a Bill will be brought down to amend that Act. The proposed amendment may or may not be acceptable to this Chamber; if not, and this Bill passes, a monopoly will be created. The only way out is to bring down a small Bill to amend the Workers' Compensation Act.

Hon. J. Nicholson: That is so. You cannot amend this Bill.

Hon. C. F. BAXTER: No. I cannot find a way to amend it. In view of the fact that the Bill will create a monopoly, and that we have had experience of the present Government's illegal incursion into the realm of commerce, I ask members whether they are prepared to allow that to continue? If they are, the second reading will be passed. Personally, I am not prepared to try the experiment. The Bill, to my mind, is wide enough to allow of an extension of State trading. If members will study Clause 6, they will see that its provisions are very wide.

Hon. G. Fraser: The office has been operating for years.

Hon. C. F. BAXTER: Quite so, but illegally. The Government should not have carried on the State Insurance Office illegally. Parliament was opposed to it, but the Government said, "We will find a way out." No Government should thwart the will of Parliament.

Hon. L. Craig: The previous Government did. If returned, it will let the State Insurance Office carry on.

Hon. C. F. BAXTER: How can the hon. member put himself up as a prophet?

Hon. L. Craig: I do.

Hon. G. Fraser: Your party was in power for three years.

The PRESIDENT: Order!

Hon. C. F. BAXTER: In view of the extraordinary times that were prevailing when the previous Government occupied the Treasury benches, can any person say that that was a time when one could expect rational things to be done? If so, he would have a very peculiar idea of the circumstances. Apparently some members are content to allow the Government to continue the State Government Insurance Office without argument. I shall not vote for the second reading, and I say that those members who do vote for it will vote for the extension of the principle of Government trading. I ask members to hold this Bill up until such time as the amendment of the Workers' Compensation Act is dealt with by this Chamber; and should that amendment be passed, then to take into consideration the insertion of provisions that no monopoly of insurance business shall be granted.

HON. J. CORNELL (South) [4.47]: I shall support the second reading. I have consistently supported the second reading of Bills similar to this. I did so for the specific reason that private insurance companies refused to accept risks such as those detailed in the industrial diseases portion of the Workers' Compensation Act of 1922. That is why the State Insurance Office was launched. To make that Act efficacious, some definite action had to be taken; and the position to-day is that practically all the workers' compensation insurance in the mining industry is effected with the State Government Insurance Office. I understand that the other insurance companies, independently of not accepting silicosis risk, were not even prepared to accept insurance against ordinary risk of accidents in the mining industry. The question we have to ask ourselves is, what would happen to all the men employed in the mining industry if the State Government Insurance Office were to close to-morrow?

Hon. G. Fraser: The mining industry would close up, too.

Hon. J. CORNELL: One is appalled to think what might happen. It is something that must not happen. That being so, at least this House should agree to legalise an actuality, not something problematical or something that might happen. This is akin to a father owning an illegitimate child. He might as well accept the inevitable as go into court and contest a case for the maintenance of the infant. State insurance has been called an illegal act, but somebody has to support it, and why not give the State office legal status? It is our child; therefore let us contribute to its maintenance and care by giving it legal standing. I believe that legislation in most countries of the British Empire gives legal standing to the illegitimate, and we should legalise the State Insurance Office. I have asked what would happen in the mining industry if the State Insurance Office were closed. I do not contend for a moment that the scope of the measure should be enlarged to embrace all forms of insurance, but we have had sufficient experience to warrant our giving at least legal sanction to an institution that has been operating in the field of insurance since 1926. The stage we have reached is paradoxical, if not ridiculous. We are told that the State Insurance Office is an illegal institution, but in the Public Service List we

find that it is given recognition as a legal institution. According to the list there are 26 persons employed in the State Insurance Office, of whom eight are females, and the salaries range from £85 to £510 per annum, exclusive of the head of the department, Mr. Bennett, who is Government Statistician and presumably draws nothing for this work. The salaries paid amount to £5,000 per annum. These employees, I understand, enjoy all the privileges, including long-service leave, granted to other Government employees.

Hon. J. J. Holmes: Is not all that money paid by Parliamentary appropriation?

Hon. J. CORNELL: Yes, but the institution is in operation, and experience indicates that we cannot allow it to cease operating. Therefore we should accept the inevitable and give it legal standing, even if we limit the scope. If we limit the measure to the field of activity in which the State Insurance Office functions to-day, we shall enable every worker in the State to receive the benefits of workers' compensation, which he does not get to-day. In the mining industry particularly numerous men are employed, and if the employers are a company that goes up the spout, to use a vulgarism, or are men of straw, workers who are injured are often not covered by insurance and they receive no compensation.

Hon. A. Thomson: Will this Bill ensure that they will get compensation?

Hon. J. CORNELL: If the office were legalised, we could make insurance compulsory, regardless of whether the worker was insured with the State Insurance Office or with one of the companies.

Hon. A. Thomson: But does this measure make it compulsory?

Hon. J. CORNELL: I consider that if the State Insurance Office were legalised——

Hon. G. B. Wood: It would be compulsory to insure?

Hon. J. CORNELL: The measure would not necessarily make insurance compulsory, but the Minister could do it. Probably if the Minister insisted upon compulsory insurance he would have the same stones thrown at him as are thrown to-day in regard to the illegal position. Let us put the office on a legal footing and make the insurance of every worker compulsory.

Hon. G. Fraser: It is not any Act that makes insurance compulsory. Insurance is not compulsory because there is no approved office.

Hon. J. CORNELL: Can the Minister approve of an office if it has no legal standing?

Hon. A. Thomson: Cannot he approve of some of the companies?

Hon. J. CORNELL: What would be the use of the Minister's approving of companies for insurance of workers in the mining industry? If the Minister told the mining companies to-morrow that they must insure their employees and could do so with any private company that had been approved, but not with the State Insurance Office because of its lacking legal standing, what would be the position? Would the insurance companies be more likely to quote? Could we force the companies to accept such risks? If we did so, the companies would be able to say on what terms they would accept the insurance. The existing position is quite illogical. I was cured long ago of the idea that benefits could arise from State ownership; everybody seemed to think he had a share in a State enterprise and could do as he liked. That is what caused the downfall of State ownership. But there is a big difference between a measure of State insurance that is performing a definite function and the establishment, say, of a State sawmill.

Hon. L. B. Bolton: It is all bad.

Hon. J. CORNELL: But I should like Mr. Bolton to tell us how he proposes to cut out the bad parts.

Hon. J. J. Holmes: Change the Government.

Hon. J. CORNELL: We did that in 1930.

Hon. G. Fraser: Yes, we tried that.

Hon. J. CORNELL: I have yet to learn that the change of Government on that occasion accomplished very much. I am afraid that a great majority of the people do not care twopence which party is in office. We should be logical in our action, and if we cannot end the existing state of affairs, we should legalise the office. If we cannot put the office on a lawful basis, let us say straight out that the whole concern must be closed. Are members prepared to advocate that course, or do they propose, like the ostrich, to hide their heads in the sand and think that all is well?

Hon. G. Fraser: That is what they are doing.

Hon. J. CORNELL: I hope the House will pass the second reading. If members then consider that the measure is too wide in

its ramifications, they can impose limitations.

Hon. J. J. Holmes: How are you going to limit the scope of such a measure when the Government sets the law of the country at defiance?

Hon. J. CORNELL: The utmost length to which the Legislature can go is to set out in clear phraseology what shall be done.

Hon. W. J. Mann: That is what we want.

Hon. J. CORNELL: But to get those directions carried into effect is quite another matter.

Hon. W. J. Mann: That is the fault of the Government.

Hon. J. CORNELL: If we had a Hitler in power, that might be possible, but we have a Government dependent upon the votes of the people.

Hon. W. J. Mann: That is an indictment of our system of government?

Hon. J. CORNELL: As the Government has to depend upon votes, there must be backing and filling, and there will be as much backing and filling with one party as with another party in power.

On motion by Hon. L. Craig, debate adjourned.

BILLS (2)—FIRST READING.

1, Alsatian Dog Act Amendment (Hon. G. B. Wood in charge).

2, Health Act Amendment.

Received from the Assembly.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 21st September.

HON. C. F. BAXTER (East) [5.1]: When the Chief Secretary moved the second reading of the Bill, he stated that since the Industrial Arbitration Act was last substantially revised, which was in 1925, experience had clearly indicated that certain amendments were desirable. Undoubtedly experience has proved that certain amendments are overdue, particularly in respect to the enforcement of the penal sections of the Act, but the Government has not made any suggestion in that direction. A provision could well have been introduced giving instructions to the Crown Law Department to take action under the penal sections of the Act after receiving notification from the Industrial Registrar that a total or partial cessation of work had occurred. That would undoubtedly have been a desirable amendment in the light of experience of the way the penal sections have been ignored or brushed aside by the Government.

In the main, the amendments embodied in the Bill are similar to those submitted to Parliament in 1937. The Bill then presented was referred to a select committee, which sat and heard voluminous evidence from interested parties. It is significant that many notable industrialists from the Labour side, including Mr. P. J. Trainer, the General Secretary of the Australian Labour Party, failed to accept an invitation to appear before the select committee to give evidence. The report of the select committee was dealt with in this House, but eventually the Bill met its doom in another place. Many of the clauses in the Bill now before us have been designed to overcome decisions of the Supreme Court. For instance, Subclause 3 of Clause 17 reads—

> Provided, however, that if in any proceedings before him the Industrial Magistrate considers that a question of interpretation of an award or industrial agreement arises, it shall be referred to the court.

This proposal is to counter a recent decision of the Supreme Court against the finding of an Industrial Magistrate, Mr. H. J. Craig, in the case of the Pottery Workers' Union versus H. L. Brisbane & Co., Ltd. I claim there is no necessity to interfere with decisions of the Supreme Court. For the smoother working of industry, it would have been much more to the point had the Bill contained a provision to prevent an industrial magistrate from proceeding with an enforcement summons whilst an application for interpretation on the same subject was pending in the Arbitration Court. Clause 23 is obviously designed to overcome another recent decision against the Barmaids and Barmen's Union in proceedings against a hotelkeeper named Olsen.

When placing the Bill before members, the Chief Secretary entirely omitted any reference to Clause 14, which seeks to restrict the powers of the court by prohibiting it from prescribing disciplinary clauses in awards. That proposal cannot be described as one that will make for the smoother functioning of the Act or a happier feeling in the court. For many years the court has included in its awards certain clauses that have assisted industry to run

more smoothly. The proposal is to remove that power from the court. This would have a detrimental effect upon industry. We know that the Government will not enforce the penal sections of the Act against workers, and now seeks to prevent the court from including in its awards any semblance of a penal clause against workers for a breach of an award. Such flagrant interference with the judgment of the court is unwarranted and is an outstanding example of one-sided treatment and class legislation.

A simple example may be quoted. Awards now protect employers against the workers —and in the past they were legion—who, in order to obtain jobs, deliberately mis-stated their age. A worker may have been over 21 years of age, but, in order to secure the job, gave his age as 20. Without some protection in the award for the employer, the worker could, and in dozens of instances before the employer was protected by the court, actually did claim big sums for back pay. If the proposal in the Bill be agreed to, the court's hands will be tied and its awards will afford no protection to the employer. It took a long time to convince the court of the necessity for the inclusion of such a clause in awards and members may rest assured that the court's decision to include such provisions was arrived at only after serious consideration. The clause in the Bill is a direct hit at the Arbitration Court for prescribing penalty provisions in the holiday clauses of the awards governing the goldmining, coalmining and Kurrawang firewood-cutting industries.

Hon. J. J. Holmes: That refers to the penalty on strikers.

Hon. C. F. BAXTER: Yes, and the penalties are being taken away by the clause in the Bill. The Chief Secretary's remarks regarding the appointment of a chief industrial magistrate who would have complete jurisdiction in industrial matters so as to keep the Industrial Court free from congestion were very ingenious. Why such solicitude for that court? I wonder! Everyone knows that the Industrial Court functions only in respect of enforcement summonses against employers. Members will therefore note that while the Government seeks to widen the avenues provided in the parent Act with regard to prosecuting employers, it endeavours to restrict the opportunities for imposing penalties on workers where such penalties are deserved. Truly a one-sided and partisan Bill! In any event, inquiries reveal that, unlike the Arbitration Court, there is absolutely no congestion in the Industrial Court.

The Industrial Arbitration Act was placed on the statute-book to establish an era of peace in industry and to secure sympathetic and united efforts between employer and employee. The weaknesses displayed by the present Government during the past five years, added to its readiness at all times to give encouragement to unions to ignore the decisions of the court and defy the Arbitration Act, can have but one ending, and that must be disastrous to the industries of the State. It will result in the complete destruction of the morale of the worker, whom we have regarded in the past with pride, and it will mean the belittlement of the Act and the court. Members are now confronted with a Bill that is composed almost entirely of clauses that have been rejected on many occasions. Does the Government consider that insistence will eventually wear down opposition or is the Bill paraded merely for electioneering purposes?

Hon. G. Fraser: You do not think that, do you?

Hon. C. F. BAXTER: This House has on several occasions given consideration to the inclusion of domestic servants under the provisions of the Arbitration Act. That also applies to insurance canvassers who may be engaged in other businesses and cannot be controlled by the companies for which they canvass, which means, therefore, that there cannot be any relationship of master and servant in the conditions of their employment. Then we find in the Bill another attempt to interfere with partnerships. That proposal is unnecessary, for if the relationship of master and servant exists, then the Industrial Arbitration Act prevails. The obvious leaning of the present Industrial Magistrate is to investigate closely every contract of partnership brought to his notice. Each case is therefore decided on its merits. This proposed interference in industry will be detrimental to progress.

Parliament is again asked, by means of a clause in the Bill, to grant a request that the Arbitration Court has steadfastly refused to concede. I refer to the proposal to register the Australian Workers' Union. This, to my mind, is a clear instance of class

legislation, or perhaps a term more applicable would be "political expediency." The A.W.U. has made many applications for registration, but those applications have always been opposed by other registered unions. The undertaking mentioned in the clause carries no conviction whatever, because the present Government is at all times prepared to ignore far more serious sections of the Act and, further, to give encouragement to unions to defy the Act and the court. Therefore, Parliament should protect the smaller unions against any encroachment of this nature. In fact, the trend of events, such as the irregular enforced settlement of the miners' strike, to which can be added several other similar instances, and these crowned by the Government's extreme action to set aside the Act and court, amounts to establishing conditions to suit the employees, irrespective of law or awards. The Government now expects Parliament to give consideration to extreme amendments to an Act that it and the unions will not respect.

To discover how the Government views the Arbitration Act, one has only to recall the fate of the Bill presented last session. After exhaustive inquiries by a select committee, followed by an agreement on the Bill in this Chamber, the measure was abandoned by the Government on account of one amendment only. I ask, where is the spirit of compromise? Any Government should have welcomed the amendment, which provided that in Subsection (2) of Section 163 of the principal Act the following words be added after the word "accordingly":—

and upon receipt of such notification, the Crown Law Department shall take action under the penal sections of the Act, and do all things necessary for the proper enforcement thereof.

That amendment served one necessary purpose, namely, to place the responsibility for the taking of any action against those that ignored the awards of the Arbitration Court, inasmuch as there was a definite instruction to the Crown Law Department, on a report from the Registrar, to take proceedings, if warranted. That would have replaced the present system, which is a bad one and which throws the responsibility on the Minister in charge of the Crown Law Department to say whether a prosecution shall be instituted. Irrespective of what brand of politics the Minister professes, he should not be allowed to continue the present practice. The responsibility should rest on the Crown Law Department; it should not be the responsibility of the Minister to decide whether or not a prosecution should be launched. The Bill was dropped on account of this amendment being insisted on by the Council. If the Government stood four-square behind the Industrial Arbitration Act —and it should for the benefit of the State and the betterment of everybody concerned —it would have adopted that amendment. The Government should have been pleased that the amendment was introduced; in fact, it should have taken the initiative to secure the insertion of the amendment.

The Bill contains drastic and far-reaching amendments. Sub-clause (1) of Clause 10 replaces the provisions of Section 83 of the parent Act, which provides for determining the binding effect of an award when employer and workers are engaged in a given industry. The proposal now is that the vocation of the worker shall be the determining factor as to the operation and effect of an award. This has caused a lot of trouble in the past. The Bill provides a short way to overcome the difficulty, but it is a wrong way. Courts have consistently ruled that industry means the joint effort of the employer and his worker in one common activity or, in other words, the business carried on by the employer. Such a change as is suggested in the Bill is strongly objected to, and would mean chaos in respect of industrial determinations now in force. As an illustration, the timber workers' award governs the industry of timber-getting in the South-West land division. To this end, certain different vocations, apart altogether from those concerned in actual sawmilling, are provided for. Every sawmill, for instance, employs a firewood docker, but firewood yards throughout the area also employ men to cut wood into short lengths for domestic use. The latter group of workers, however, is not governed by the sawmill workers' award, because the employers are not engaged in sawmilling. If this clause became law, each firewood proprietor would have to observe the terms and conditions of the sawmill workers' award.

Wheelwrights and waggon builders are covered by the sawmill workers' award. They are also covered in the same area by the coachbuilders' award, but the wheelwright and waggon builder engaged in sawmilling do not require the same skill as their fellows employed by the coachbuilder, in which in-

stance a higher rate is paid. If, therefore, the vocation were to decide the application of the award, the wheelwrights and waggon builders now securing 18s. a week margin in sawmills would immediately claim the 24s. a week margin provided under the coachbuilders' award.

The same argument applies to carpenters and/or joiners, to farriers and their floormen, and to horse-drivers. Although horse-drivers are governed by the sawmill workers' award, there are no general horse-drivers' awards in other parts of the South-West land division, except for breadcarters at Bunbury. Consequently, in all provincial centres drivers of horse-drawn vehicles in any industry, whether it be the Albany Woollen Mills, the superphosphate works at Geraldton, or a milk depot in any other part of the State, would be entitled to pick and choose between the sawmill workers' award and the bakers' carters' award, and they would naturally claim the higher rate. The employer, however, would naturally claim the lower award to be applicable. Thus further complications would arise. For the labourer under the sawmill workers' award the basic wage is stipulated and no margin, but there are hundreds of labourers throughout the South-West land division employed on farms and elsewhere that are not entitled to the basic wage because they are not governed by awards. If the proposed amendment became law, these men would naturally claim to come under the sawmill workers' award or the furniture award, which also covers the South-West land division, or under one of several other awards that apply to the same area. The provision would be absolutely impossible of application in view of differing hours and other complications.

For good order and the proper regulation of industrial conditions, the industry award is essential; that is, an award framed to govern an industry and as nearly as possible all engaged in that industry and limited severely to the operations of the industry; for the court recognises by its awards that the same vocation exercised in different industries may require different wage treatment. The proposal in the Bill would upset every industry award throughout the State.

The power sought in Clause 13 would be tantamount to contracting out of an award, which is expressly forbidden by Section 176. As an illustration: The President of the court ruled, in the big mining strike of 1935 when, through the intervention of Cabinet, the unions were able to force an agreement upon the Chamber of Mines, that the terms of the agreement which varied the award provisions made in January, 1935, were ultra vires Section 176 of the Arbitration Act. It is not desirable, because of such industrial upheavals, that this power should be extended. The addition of the proviso to Section 92, as proposed in Clause 14, is designed completely to nullify the effect of the penalty clauses adopted by the court, after mature consideration, in the goldmining, coalmining and Kurrawang firewood-getting industries. By these clauses the court has provided that if a worker takes part in a strike, he shall automatically lose certain benefits under the holiday clause of the award. The effect of these penalty clauses has generally been very good, greatly minimising loss through stoppage of work. In any event, the penalty clauses have no effect where the workers obey the law but apply only to law-breakers. Parliament should not do anything to curtail the jurisdiction of the Arbitration Court in any way, particularly in the matter of punishment for offences against its awards, because the present Government has steadfastly refused to allow the Crown Law Department to use Part IX.—Penal Sections—of the Act which applies to workers.

Other penalties commonly provided by the Arbitration Court that would also be nullified by the amendment are—

(a) Workers dismissed for misconduct lose their right to a week's notice and also to holiday pay.

(b) A weekly servant who finds a better job and leaves his employer in the middle of the week without giving statutory notice is not entitled to payment for the days worked. If the clause became law, he would be so entitled.

(c) Junior workers sometimes wilfully misstate age in order to gain employment and thus mislead the employer. Clauses in current awards now provide that in such an instance a junior worker shall not be entitled to the higher rate applicable to his real age. These clauses would be inoperative if the amendment were passed.

(d) It has recently been ruled by the Supreme Court of Western Australia that a strike does not sever the contract of service, but merely gives the employer cause for summarily severing the contract of service. The strike may be brought about by a refusal of the workers to comply with the terms of an award, that is, a refusal to work overtime, or a re-

fusal to work more than five days a week where the award prescribes for overtime work and a five-and-a-half day week.

The obvious intention of the clause is to interfere with the jurisdiction of the Arbitration Court and to do this retrospectively because, under existing awards, the penalty clauses have certain retrospective effects.

All the proposed new sub-clauses of Clause 19 are against the spirit of conciliation and fair play. Employers generally feel that they are now hampered unjustly in the matter of appeals. Experience is common of cases in which counsel for the convicted employer ask the magistrate to increase the penalty in order to permit of appeal. The magistrate has frequently refused. An employer is often taken before the magistrate for purely technical breaches, whereas the penal sections of the Act contained in Part IX. are very rarely invoked against the workers and their organisations. As this appears to be the adopted policy of the present Government, despite requests by organised employers for an alteration, surely it is sufficient answer to the Government's request that further difficulties and penalties be imposed upon the employer.

We might well ask of the Minister in charge of the Bill why his Government has not seen to the collection of fines levied by a magistrate upon some 200 collie miners. We know of not one instance where an employer has been allowed to escape payment of a fine. In the case of employees, when prosecutions succeed, fines are not collected. These remarks apply also to the Lancefield trouble. The proposed new Subsection (3a) in Clause 21 is obviously intended to meet a suggestion put forward by Mr. Somerville, the workers' representative on the Arbitration Court bench, in connection with the last basic wage investigation, that the workers' organisation should appoint a full-time officer for the purpose of collecting information to submit to the court at the annual basic wage inquiry. Press statements indicate that the Labour section is moving in that direction. The clause could be used for the purpose of permitting the Arbitration Court to pay the officer's salary and expenses for the whole period occupied, namely, the calendar year.

Hon. J. J. Holmes: Who would make the appointment?

Hon. C. F. BAXTER: The labour unions. Naturally, the employers would be entitled to claim similarly if they appointed an officer for the purpose. Thus the attendant costs would be very considerable indeed. However, the parent Act, by Sections 121, 122 and 123, provides sufficient machinery to enable the court to pay reasonable costs incurred. Thus there is no occasion for the proposed amendment. Moreover, the Government Statistician recently added to his staff two field officers whose duty it is to collect information as to living costs and so forth for the use of the court at the annual inquiry. In view of all these circumstances, and of the manner in which the Arbitration Court has been used, or I may say abused, is it reasonable to ask the House to pass the second reading of a measure such as this? I shall be surprised if the House does.

The Industrial Arbitration Act has not been respected as it should have been. As a result, more and more people are turning against a law of such great importance to the State. The Industrial Arbitration Act should operate towards peace in industry. It does not do so. Investors are afraid to put money into any industry here employing labour largely. The provisions of the Act are not observed by the Government. I need refer only to the miners on the goldfields, and the Collie position, where the result has been to load the taxpayers with the extra cost involved, excepting a small proportion. Surely we should call a halt. Let us require everyone affected by the Arbitration Act to live up to the Act. Until that is done, industry in Western Australia cannot be regarded as a safe investment, and the secondary industries we so urgently need cannot be secured. I trust the House will place the Bill where it ought to be, by voting against the second reading, instead of wasting time upon its discussion, as happened last session, when all the work of the Chamber and of a select committee was simply thrown into the air.

HON. H. S. W. PARKER (Metropolitan-Suburban) [5.36]: I regret that this measure has been brought down again, because it is perfectly clear, at all events to me, that the Government puts it forward merely for the purpose of having it rejected by the Council. I do not say that in any idle way, for obviously whoever may be responsible for the Bill has not considered it worth while to read the evidence adduced before last year's select committee. That select

committee exerted its utmost endeavours to find anything at all to support the clauses in the former Bill, but without avail. I shall show members exactly what I mean when I say that the Government is entirely and absolutely dishonest in asking us to pass a measure in which the Government itself cannot possibly believe, unless it is prepared to reject entirely the evidence placed before the select committee last year and to explain to this Chamber why no member of the Trades Hall or of any other Labour body was willing to come forward in support of the various major suggestions contained in last session's Bill.

The first main principle of this Bill is to eliminate entirely the relationship of master and servant. The words used are "engaged in connection with the business." I shall not repeat my remarks of last year pointing out that even a doctor can be engaged in a manufacturing business if in the course of his profession he is doing something in connection with that business. I repeat, the relationship of master and servant is entirely eliminated. It is not only I who state that. I shall refer to the evidence adduced last year and show that my statements are not made without my having given the matter thought. I am supported in my contention by the Solicitor General. He was asked, "In your opinion, are paragraphs I., II. and III. covered by the words 'engaged'?" The paragraphs referred to have been eliminated from this Bill for the very good reason that the Solicitor General said that those aspects were already covered if the words "engaged by any employer in connection with the business" were included. The Solicitor General stated that the words were entirely unnecessary, and he was asked why they were in the Bill. He replied that it was not uncommon to make matters perfectly clear, and for that reason those words were inserted, but that there was no occasion to insert them. As compared with last year's Bill, this Bill is slightly altered in its wording, but not altered in its effect. It will have the same effect as the previous measure. The word "engaged" eliminates entirely the relationship of master and servant.

The main principle of the Industrial Arbitration Act is peaceful working of industry as between master and servant. As long as we stick to that main principle we shall do far more for industry than by endeavouring to go outside to meet the various hard-luck cases that do from time to time arise. A well-known principle of law is that hard-luck cases make bad law. If we legislate for hard-luck cases, we shall have some of the most preposterous laws that it is possible to get. Far better stick to the main principle. Where, unfortunately, an employee or an employer is hit up through some borderline case, by far the wiser course is to let that go than to upset the general principle of our law.

Now as to the definition of "employer," the Solicitor General pointed out clearly that a foreman would be liable to imprisonment if the master committed a breach of the award by non-payment of wages. There is no argument about that, unless the Solicitor General is entirely wrong. I feel sure that he is perfectly right. Let me give an extreme instance. Assume that a company goes into voluntary liquidation, and that the manager has been dishonest and has not paid the employees the wages to which they are entitled. And let us not forget that it need not be a dishonest employer or manager that does not pay the correct wages, because in many cases a very nice point of law arises as to what is the correct rate of pay. One of those cases was instanced this afternoon by Mr. Baxter—what is known as the Brisbane case. That was taken as a test case. There are many such cases. Let me assume that the company which goes into voluntary liquidation suddenly discovers that the men have not been paid the right wages, and that the manager—whether honest or dishonest does not matter—has gone away. The employees then come back on the foreman, and he can be shot at by every worker who is short-paid. Just imagine that unfortunate man's position. The measure allows no appeal of any sort. If an industrial magistrate says that one is guilty, one has no appeal whatever. It does not matter two straws whether the industrial magistrate is wrong. This is a nice point for interpretation, and I would like the Arbitration Court to decide it. The industrial magistrate says, "I cannot see any point at all; it is perfectly clear to me." There we stand.

I find also that there is a nice change made between the last Bill introduced and the present Bill. A few words have been

added, and they make a big difference. I have had experience of arguing before a magistrate, and when I have put up a certain contention he has said, "You are wrong." Then I claimed that there was a very fine point at stake and he has replied, "I cannot see it." A magistrate must be satisfied before he can give a decision. There is also a difference between Subclause 3 of Clause 17 in the Bill before us, and what was contained in the Bill presented last year. The Bill now before us sets out—

Provided, however, that if in any proceedings before him the industrial magistrate considers that a question of interpretation of an award or industrial agreement arises it shall be referred to the court.

The Bill of last year contained this proviso—

Provided, however, that if in any proceedings before the industrial magistrate a question of the interpretation of an award or industrial agreement shall arise it shall be referred to the court.

Now these words are inserted: "the industrial magistrate considers." An industrial magistrate arrives at a conclusion. He is not going to say, "I cannot answer it." It must be either "yes" or "no." So the unfortunate foreman is left to what the magistrate may say, and is liable to be shot at for all short-paid wages. At the present time the section applies only to the preceding 12 months, but recently the question whether one could go back more than 12 months was raised. The present Crown Solicitor was engaged in that case, and the court decided that it was not possible to go back more than 12 months. Consequently we find another new clause included in the Bill to rectify the decision of the court. It will thus be possible to go back to the year one. The position is not limited as it was formerly; and the unfortunate foreman, who has nothing to do with the payment of wages, can be shot at and put into prison if he does not pay up. That is entirely wrong. The law throughout the State at the present time is that a person cannot be imprisoned for debt, and then we proceed to alter the law to the extent of giving a magistrate colossal powers. There is no appeal of any kind against a magistrate's decision, although in the Bill there purports to be such. In fact there is not, and this has been borne out by the Solicitor General. So it would be possible to put people in gaol for debt. That is wrong. There may be dishonest employers, and I am sorry to say there are quite a number in various parts of the State who do not pay employees the right wages. Surely, however, there is some onus thrown on the employees to recover in the usual way. An employer can be fined for a breach of an award. Is that not sufficient? It is only within the last six or eight years that we entirely abolished imprisonment for debt. Why go back now to the old order of things?

The Chief Secretary: To which clause are you referring now?

Hon. H. S. W. PARKER: There is a clause in the Bill which states that the amount of wages shall be added to the penalty. It makes the wages the penalty. Another remarkable proposal we have again before us is the solemn request for the registration of the A.W.U. as a union, but only on certain conditions. These conditions are that that union undertakes to do certain things. Why that invidious distinction with the A.W.U.? Last year's select committee endeavoured to find that out. The A.W.U. may be registered now without giving the undertaking required in the Bill. That is all the A.W.U. would have to do to secure registration. Some members may appear astounded at that statement, but I should like to read what the Solicitor General said when giving evidence before the select committee last year. I am not surprised at members not reading the evidence, because it was not printed. The Solicitor General's evidence on this subject is taken from the notes of evidence and is given in question and answer form—

544. The A.W.U.'s activities will be confined to those industries or branches that cannot be served or are not conveniently served by any registered union? The union is confined at present by having a branch known as the mining branch of the A.W.U.?—The point I am trying to make clear is that at present the A.W.U. seeking registration has to furnish necessary proofs to the satisfaction of the court, and because it has not been able to furnish those proofs, its applications for registration have been refused. If the proposed new Section 14A becomes law, the A.W.U. will not have to furnish any proofs at all, but will have to give a certain undertaking. When it gives the undertaking, then the union can be registered without the necessity for supplying any of the proofs required under Section 6 of the Act.

The Chief Secretary: What are those proofs?

Hon. H. S. W. PARKER: I will read on—

545. In other words, the A.W.U. finds itself in difficulties to prove certain things?—Yes, and the proposed new section will obviate the necessity for proving them.

546. Then Parliament is being asked to do away with proofs on the part of the A.W.U., though those proofs are required in every other industry?—That may be so.

548. As a fact then the A.W.U. could not prove what it set out to prove?—It could not prove what it was required to prove. Now it will not be required to supply that proof. If this Bill becomes law the A.W.U. will furnish the necessary undertaking.

Now we are solemnly asked to allow the A.W.U. to be registered on undertaking to prove something that it cannot prove. How absurd that is! The evidence goes on—

549. What was the undertaking?—The undertaking mentioned in paragraph (a) of the proposed new Section 14A. Say the A.W.U. gives that undertaking and alters its rules and is registered, and that subsequently it admits as members workers who could more properly be members of another union, the ground would arise for an application for the de-registration of the A.W.U. because it would be acting in contravention of its constitution.

550. Why cannot the A.W.U. alter its rules now and apply to the court under the existing law?—The A.W.U. might be able to answer that.

The Solicitor General was not able to give any reason. All it need do was to alter its rules—

551. In law, all that the A.W.U. need do is to alter its rules?—That may be so as a matter of law, but as a matter of policy, the A.W.U., being Australia-wide, might not be inclined to do that.

One would think that all this would have been sufficient to deter any Government coming to light again with what I might call a preposterous request. The secretary of the A.W.U. made no bones about it. What he wants is one big union. That is what I have mentioned before, and it was then regarded as an exaggeration. Mr. Victor Johnson, secretary of the Australian Workers' Union, also gave evidence before the select committee. Here is some of his evidence—

3. Will the proposed amendment give you what you want? Is not the proposed amendment covered by Section 6?—No. Under this amendment we as a union would become registered.

4. But you do not become registered until you do certain things?—We are prepared to do those things and meet the wishes of the Registrar and the President of the court.

7. Cannot you get what you seek by forming branches, just as you have a mining branch for instance?—We do not want a multitude of sections. There are at least 20 in the list I have given you, and that does not cover all the industrial agreements we have.

8. But the position could be met by the formation of branches under the existing law?—Possibly. But it will readily be seen what a large number of officers the union would require, and the large number of sections and rules which would be necessary.

9. Will not that be required under the statement? The amendment provides "its activities will not be confined to those industries or branches of industry which cannot be served or which are not conveniently served by any registered industrial union unless the consent of such other industrial union likely to be affected is first obtained." Will that not cause a lot of trouble? Does the Bill go far enough to meet your wishes?—To get these agreements we have had to meet other unions and come to an understanding to avoid encroaching on their ground.

10. If you were registered would you be able to effect these agreements without consulting those unions?—I doubt whether we would. In many cases we would have to consult the unions.

11. Would it be an obligation upon you to do so?—We have given a definite undertaking.

To whom? I presume to the Government, and yet we are asked to pass this Bill—

12. If you obtained registration and were proceeding for an award in a particular industry, would it necessarily follow that you would have to consult that organisation?—The amendment sets out that the activities of the union "will be confined to those industries which cannot be served, or which are not conveniently served by any registered union unless the consent of such other industrial unions likely to be affected is obtained."

Another answer read—

14. Its activities will be confined in those industries to branches of industry which cannot be served or not conveniently served by any registered union unless the consent of such union is first obtained.

I trust I have clearly proved my first statement, that to ask us to enact that clause is asking us to do the impossible. If the A.W.U. wants to be registered in its various branches, and can comply with the law that any other union must comply with, it may be registered. I see no reason why we should make an invidious distinction for one trade union. Will the Chief Secretary in his reply, assuming that the A.W.U. be registered, say whether that would not automatically wipe out the registration of the branches? If the whole be registered, surely

the pastoral and mining branches would go by the board.

Hon. J. Nicholson: The main body would absorb the branches.

Hon. H. S. W. PARKER: Yes. Clause 10 of the Bill purports to make an industrial award into a vocational award. That would upset the whole planning of the Act, would have a most extraordinary effect, and would create chaos. I instance the simple case of a horse-driver who is employed by someone outside the industry and is therefore not covered by an award. The idea is that this employee should receive the wages of a horse-driver under the award. I think the last instance that was quoted was that of a plumber employed by a city firm whose business was not that of plumbing, and therefore the individual was not covered by an award. If this Bill became law, under what award would the driver come and what conditions would apply to him? I have a list of 14 awards covering horse drivers in the metropolitan area. I will quote some of the varying conditions and wages. The road transport workers (commercial) work 46 hours a week; the road transport workers 46 hours; the road transport workers (Government departments) 44 hours; municipal outside workers 44 hours; bread carters 48; butchers 48; chaff-cutters 48; and so forth. The last-named work various hours, as do the transport workers (commercial). The road transport workers (Government) work from 7 to 5 on Monday to Friday and 7 to noon on Saturday. The municipal workers work from 6 a.m. to 6 p.m., and the aerated water employees from 7.30 a.m. to 5 p.m. on Monday to Friday and until noon on Saturday For bread-carters there is no time set down except that they work nine hours from Monday to Friday and eight hours on Saturday. The butchers in some cases work from 6 a.m. to 6 p.m. and on Saturday from 5 a.m. to 1 p.m., and for the beef-carting section the hours vary from 4.30 a.m. to 8.30 a.m., from 2 a.m. to 9 am, from 2 am. to 8.30 a.m., from 5 a.m. to 9 a.m., and from 5 a.m. to noon, and so on. Chaff-cutters work from 7 a.m. to 5.20 p.m. on Monday to Friday and until noon on Saturday; lime and stone workers from 7.45 a.m. to 4.45 p.m.; superphosphate workers work 8 hours a day from Monday to Friday and four hours on Saturday: timber-yard workers work the same hours; undertakers work 8 hours a day; forestry workers work from 8 a.m. to 5 p.m., and vineyard workers from 7 a.m. to 6 p.m.

Rates of wages and margins differ according to the award or agreement. The margins vary from 9s. 6d. to £1 7s. 6d. in the case of road transport workers (commercial); from 8s. to 34s. for municipal workers; from 10s. 6d. to 15s. 6d. for bread-carters; from 5s. to 20s. for butchers; from 9s. 6d. to £1 2s. 6d. for lime and stone workers; and for vineyard workers the wage is £3 14s. 6d. a week. As regards holidays, the milk and ice carters have two weeks and the road transport workers (commercial) a week and 10 days. Road transport workers (Government) have a week and nine days; aerated water employees a week and six days; bread-carters 10 days plus the days named in the Bread Act; butchers one week and six days; lime and stone workers eight days; superphosphate workers 12 days in all; timber-yard workers 12 days; undertakers one week and six days; forestry workers two weeks, and vineyard workers eight days. If this Bill became law, how would the horse-driver fare in view of what I have just shown? Each man working under an award would say, "My award does not go high enough; such and such other award is a common rule, and I will work under that." These awards are all common rules. Where will this lead us? Suppose everyone is working under a common rule, and each rule differs from the other!

Not only is the Bill bad in these respects, but it is bad in that it has been drawn up with the idea that it cannot come into force. It could not be enforced and was never intended to be brought into force. I wish again to refer to the evidence of the select committee, question 565—

> Would not Clause 10 alter the whole scheme of the Act, making industrial awards vocational awards?—I think proposed Subsection 1 probably would have that effect.

Hon. L. Craig: Who is giving that evidence?

Hon. H. S. W. PARKER: The Solicitor General. He continued—

> You may have motor van drivers connected with the bread industry, and motor van drivers connected with the butchering industry, two totally different industries. An award is made in relation to the bread industry which covers

the wages to be paid to the van drivers. The effect of the section would be, subject to any exceptions that might be made in a particular award, that the rate prescribed by the award made in the bread industry would cover the rate of wages to be received by the van drivers in the butchering industry.

I venture to assert that no award in the baking trade says that this will not apply to the butchering industry or the timber industry, etc. That would have been absurd. The next question was—

If the rates are different, what would be the effect of the section?—If there is an award for van drivers in the bread industry and another for van drivers in the butchering industry, and the rates are different, I do not know what will happen.

And yet this Bill has been brought down for us to pass. The Solicitor General says he does not know what will happen if such legislation is passed. Earlier in his evidence he stated that certain words were put in to make everything clear. Questions 567-9 were—

Would there not be confusion?—Say there is in existence an award in relation to the butchering industry which covers the avocation of van drivers in that industry, and then there is an award in relation to the bread industry which also employs van drivers. In the bread industry award there would be included an exception to the effect that the bread industry award in relation to van drivers is not to apply to van drivers engaged in the butchering industry, whose rates of remuneration were already provided for in the award made in relation thereto.

In cases where such awards exist, there would be confusion and conflict?—Probably there would be.

Am I right in saying that Clause 10 will entirely alter the whole principle of arriving at awards?—I would not say that. Unless the Arbitration Court makes the necessary exceptions and limitations in particular awards, confusion will be created in respect to the vocational employees engaged in a variety of different industries. Vocational employees would have their remuneration fixed by an award in relation to one industry which is not in any way connected with the industry in which they are engaged.

There is not much doubt that the Solicitor General is of exactly the same opinion as I am, namely that there will be confusion worse confounded if we pass this provision. Clause 14 prohibits the Arbitration Court from placing any penalty in an award. That is brought about by reason of the Collie coal trouble. At Collie time and again pit-top meetings have been held, with consequent loss of work in the aggregate. It was necessary to put a stop to that. The award provides certain penalties by way of deductions against wages if the men hold these pit-top meetings without first obtaining permission. The award is in existence, and governs the workers on the Collie coal field. I am not prepared to say that the court was wrong when it made the award, because the tribunal is in a better position to arrange such things than we are.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. H. S. W. PARKER: Before tea I was mentioning how exceptional it was to read into a Bill power for the court to make penal provisions in an award if it deemed fit. That is a power I think the court should have. Another provision in the Bill is that if an employer is charged with a breach of an award, in that he has failed to pay the correct wages as provided by the award, then the magistrate shall award to the worker the correct amount of the wages and all arrears, for whatever the period may be. Although the Act at present fixes a limit of 12 months, the proposal is to alter that limit and to provide for payment of all arrears, irrespective of the moral merits. On many occasions an interpretation of an award has been sought to ascertain the correct class into which a worker falls. The question is not altogether what wages he should receive, but into which class he shall fall. Many fine distinctions have been made, and many test cases have been heard. Now it is suggested that a test case shall be taken before a magistrate, whose decision, right or wrong, shall be absolutely final. To my mind that is the gravest danger in the Bill.

I regret I cannot see my way clear to give the present Government carte blanche to make further appointments. The matter is very serious. The Bill proposes that the Government shall make another appointment of an official to be called the Chief Industrial Magistrate. This official is to have unlimited power, infinitely greater power than has the Chief Justice. I am not prepared to agree to the appointment of an official with these unlimited powers, unless there is a right of appeal.

I mentioned earlier that the Bill was brought forward dishonestly, not with the intention of its being passed, and brought forward without consideration having been given to its actual provisions. I repeat, the Bill is brought forward to pacify, or to en-

deavour to pacify, each union that has put forward some proposition before the Arbitration Court or before an industrial magistrate, and has failed to make its point. The Government has brought forward the Bill without informing those unions what its effect will be. If, in my opinion, a Bill is a farce, I shall not vote for it. We are solemnly asked in this Bill to believe that an appeal will always lie from the decision of an industrial magistrate when imprisonment is imposed in the first instance. I raised that question before in this House; I raised it at the select committee, and I shall now refer to the evidence of the Solicitor General on the point. I have always maintained that neither the Arbitration Court nor an industrial magistrate has power to inflict imprisonment in the first instance, except for contempt of court. And quite obviously, because in a practical sense no appeal lies for contempt of court when it is contempt in the face of the court. Yet we are told that an appeal will lie against the decision of the industrial magistrate if imprisonment is imposed, and therefore the Government says, "We are giving a right of appeal." That is where I say either the ignorance displayed is colossal or the intention is dishonest. I now quote from the evidence given before the select committee—

579. By the Chairman. Clause 19 of the Bill provides that there shall be an appeal in regard to a breach of an award only where a term of imprisonment is imposed without the option of a fine: I think we agree now that imprisonment without the option of a fine cannot be awarded?—Yes.

Does not that show clearly and distinctly that the Bill is not brought forward honestly? It is a mass of contradictions and errors. If the Government is so anxious to clean up this business, why did it not bring down a Bill incorporating the recommendations of the select committee to which this House agreed last session? I admit they are not very important, but a recent matter is of great importance. I can cite my own opinion only as to whether this is correct or not: the appointment of an acting president is wrong while the president is already in office. The Governor has power to appoint a deputy only to fill a casual vacancy. Section 44 of the Act provides—

In the case of the illness or absence of the President at any time, the Governor shall nominate a person qualified as aforesaid to act as President during such illness or absence; and may from time to time appoint a Judge as Deputy President of the court, and in th capacity to exercise the powers and functio of the President . . .

The President is not ill, he is not absen so I do not know how the Government cou nominate a person to act as President. T my mind, there is no power to appoint a acting President.

The Chief Secretary: Read a little fu ther.

Hon. H. S. W. PARKER: The sectic reads—

. . . to act as President during such illness absence, and may from time to time appoint Judge as deputy President of the Court, a in that capacity to exercise the powers a functions of the President.

The Chief Secretary: What is your inte pretation of that?

Hon. H. S. W. PARKER: I should thir the Government could appoint a depu President only during the absence of t President. I may be wrong. I am givir my own opinion; in all other matters, I ha been fortified by other opinions. When similar Bill was last before the House, w desired to go further. I think we recon mended that the two lay members the court be dispensed with, and th another President, or deputy President, b appointed, so that two courts could sit the same time. It is now known that tw courts cannot sit at the same time. T Government cannot create a new cour Therefore, only one court can sit. Qui true, the deputy President has done extr ordinarily good work in facilitating the bus ness of the court. At the same time, I a sorry that when the Government brough the Bill down it did not go a little furthe and make provision for another court to s if the business warranted it. For the re sons I have given, I cannot see m way clear to vote for the second rea ing. I agree that some clauses of th Bill might well be included in the Act; bu the main principles of the Bill have alread been considered in detail by the House, an because the larger matters which apparentl the Government required were not agree to, those we did agree to were not enacte To vote for the second reading of the Bi seems to me to be an absolute waste of tim as these arguments would all have to be co sidered in Committee.

On motion by Hon. L. B. Bolton, debat adjourned.

BILL—FAIR RENTS.

Second Reading.

Debate resumed from the 21st September.

HON. C. F. BAXTER (East) [7.43]: The general application of this measure warrants an amendment of the title to read "The Rents Restriction Bill." Most of the clauses, if agreed to, will act so harshly that the erection of dwelling-houses for letting will be a thing of the past. A study of the measure suggests a serious attempt to force all persons who own houses for letting purposes to sacrifice those interests and look for other investments. Money can now be invested on mortgage at 5½ to 6 per cent., with ample margin of security, and without the worry and risk attaching to rented property. Other numerous avenues of investment are also available. Investors, if bound and restricted by legislation of this kind, will undoubtedly refrain from building, with the result that tenants will be unable to obtain houses, and consequently the problem of housing the people will be thrown on the Government. The application of legislation of this kind will be immediately reflected in a cessation of building, and this industry, while suffering depression, will have such an effect on the many allied industries, all of which employ large numbers of men, that thousands will be thrown out of employment and will have to depend upon the Government for their existence.

During the period from 1930 to 1933 the building industry of this State was practically at a standstill. Unemployment was rampant, and many thousands of workers were relying on Government assistance. A much larger number existed by using reserves that had been built up during a lifetime and by the assistance of friends and relatives. This Government appears to be doing its best to bring about a recurrence of the stress and suffering of that period, simply to gain the good graces of people who give no thought to other sections of the community. Members should recall that when we were nearing the end of the three-years' period of distress, people began to invest money in the building trade. How wonderfully it assisted to relieve unemployment! Thousands of men found work and the whole difficulty was eased. Most of the relief to unemployment at that time came from the building industry.

The Bill does not meet the position as it should. In order to ascertain exactly the return from revenue-producing property, all outgoings, including rates and taxes, should be taken into consideration. The definition of "rates" does not allow for Federal or State land tax, and the basis for determining fair rents makes no provision in this respect. That is very unreasonable. The measure would be under the jurisdiction of the Local Courts Act 1904-31, and whatever decision was arrived at would be beyond question because there is no provision for appeal. That is very unfair. Surely a right of appeal should be granted!

A most extraordinary proposal is contained in Subclause 8 of Clause 5. Even though a tenant may have received notice to terminate the tenancy, he will not be precluded from bringing an application before the court. Clause 7 provides that no costs shall be allowed in any proceedings under the Act. Thus it would be possible for a disgruntled tenant—and there are many such persons in the world—to involve the owner in considerable expense for representation at the court, although the tenant was about to vacate the premises and could not receive any benefit whatever from the ruling of the court. Thus the owner would be harassed to the benefit of nobody. The basis of determination of the fair rent according to the Bill is first to ascertain the capital value of the dwelling house. Who is to determine this valuation? That will be a matter requiring expert knowledge.

Hon. J. J. Holmes: The value of the land will have to be considered.

Hon. C. F. BAXTER: Yes. Surely the court would not attempt such valuations. In all probability the court would rely upon expert valuers, and if that were so, who would be called upon to bear the cost? When determining the fair rent, the court is to estimate the annual depreciation in the the value of the dwelling house "if such depreciation diminishes its letting value." That principle is absolutely wrong. In the early years of a dwelling, the depreciation may not seriously affect its letting value, but nevertheless depreciation is definitely continuing every year and should be allocated over the life of the building. Again, obsolescence is a definite factor that ought to be considered. Styles change, and the more modern dwelling naturally enjoys a better

demand than does an old one, the letting value of which diminishes. This applies particularly to dwellings and flats, and adequate provision should undoubtedly be made on a regular basis. No provision is included to cover the loss of rents or costs of collection. Surely those are reasonable charges that ought to be allowed in arriving at a fair rent. If the owner collects his own rent, he should be entitled to something for the time so occupied.

Let me give some idea of the dwellings erected during recent years in the metropolitan area. These statistics were obtained from the Statistical Department and so cannot be questioned. During the year ended the 31st December, 1936, 1,539 dwellings were erected valued at £1,125,624.

Hon. G. Fraser: How many of those were for letting purposes?

Hon. C. F. BAXTER: Whether they were erected for letting purposes is immaterial. During the year ended the 31st December, 1937, the number of dwellings erected in the metropolitan area was 1,590 and the value £1,268,427. For the half-year ended the 30th June, 1938, the number was 803, valued at £630,639. Thus for the two and a half years the total number of dwellings erected in the metropolitan area was 3,932 valued at £3,024,690. The average cost of the buildings erected was £731, which shows that the figures relate to buildings that come within the meaning of this measure. The population of the metropolitan area at the 31st December, 1936, was 212,150, and at the 31st December, 1937, 215,700. The increase of population from 1935 to 1936 was 1,785, and from 1936 to 1937 the increase was 3,550, a total increase of 5,335 in the two years. Allowing for an average of four occupants to a dwelling, 1,334 dwellings were needed to provide for the increased population, leaving an additional 2,598 dwellings available for occupation by the previous population. In view of this position, no justification exists for a measure of this kind in the metropolitan area.

Hon. J. J. Holmes: The justification is the impending general election.

Hon. C. F. BAXTER: Yes. As to the goldfields, I am prepared to support a measure to afford some control there. The effect of the Bill would be to discourage the building of houses for letting purposes, thereby causing a shortage of accommodation in the metropolitan area. The measure is ill-conceived, and valueless for the purpose of affording the desired relief, and should be rejected by this House.

The Government contends that the measure would prove advantageous to people on the lower rung of the ladder. Suppose the Bill were passed, it would not matter whether the rents were increased or reduced because the movement would be reflected in the basic wage adjustment. Rent is one of the items taken into account by the Arbitration Court when assessing the basic wage. People who are receiving payment in excess of the basic wage would be affected more than would those on the basic wage, but the Government is very solicitous for those on the basic wage. There would be no need to consider them, however, because whatever movement took place would be reflected in the next quarterly adjustment, and so the measure would not do any good in that way. The Bill will not improve conditions; in fact, it will make them worse. The more we try to impose stringent conditions on the people, the less will people attempt to operate under them. Therefore we shall merely be circumscribing their activities, and many of the people who have been in the habit of building a few houses will refrain from doing so. No longer will house-owning be regarded as a sound investment if such a measure reaches the statute-book. After the passing of the 1930-33 period I thought that we had done with legislation of a drastic kind and that measures thereafter introduced into Parliament would be designed for the benefit of the State. Such a Bill as this cannot have that effect. I ask members to help me to reject this measure, which, if placed on the statute-book, would not help the people it is designed to help and certainly would not reflect any credit on the Chamber.

HON. L. CRAIG (South-West) [7.58]: I do not propose to waste much time on the Bill. I consider it to be one of the worst measures that has been introduced since I have been a member. I find no justification at all for the Bill. Let me quote, for the amusement of members, a conversation that took place in a railway carriage between a goldfields man employed on the railways and myself. He probably knew that I was

a member of Parliament and he said, "You fellows should have passed that Fair Rents Bill last year." I asked, "Why?" He replied, "Do you know that I am paying 30 bob a week for so many rooms?" I forget how many rooms he mentioned; there were not many, and I expressed the opinion that the rental was rather high. I asked him what wages he was receiving and he told me he was getting £6 a week. I said, "That is a good wage. Could not you, under the workers' homes scheme, build a home for yourself?" He replied, "Me build my own house! I would be a mug. Suppose the gold mining industry went down and the population of Coolgardie declined, I would be left high and dry with my blinking house." I said, "Does not that apply also to a landlord?" But he did not answer. The answer is obvious. That is the reason. That houses, even on the goldfields, are not being built for letting purposes is because the landlords or builders are afraid of legislation such as this, and are also afraid that the population on the goldfields will decline. I can think of no greater deterrent to the building industry than a Bill of this description. It would certainly frighten anyone who wished to take average care of his capital and expected a reasonable return from it. To-day first preference shares bearing 6 per cent. interest can be purchased at par. The Bill provides for a maximum return of 1½ per cent. above the Commonwealth Bank overdraft rate, which is about 4½ per cent. The Commonwealth Bank is careful about lending money, and the security has to be satisfactory.

Hon. A. Thomson: Even so, the bank would not advance 100 per cent. on a house.

Hon. L. CRAIG: No. Nevertheless, the Bill fixes that maximum return for rent and makes no allowance for a house being unoccupied; nor yet does it provide for obsolescence. What incentive would there be to invest money under those conditions, when one can purchase gilt-edged securities involving no worry at all. I am amazed to think the Government expect a Bill of this kind to be accepted by a House such as this or even by another place. I shall oppose the second reading and certainly hope the Bill will not reach the Committee stage.

On motion by Hon. H. S. W. Parker, debate adjourned.

RESOLUTION—YAMPI SOUND IRON ORE DEPOSITS.

Commonwealth Embargo.

Debate resumed from the 20th September 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. W. J. MANN (South-West) [8.3]: I am just wondering whether the Government in view of the grave atmosphere prevailing at present, is not somewhat sorry at having presented the motion to Parliament at this juncture. Events of the last few days must have brought home to most people, more than ever before, the necessity to preserve Australia's resources of the description referred to. I propose to vote against the motion. For one reason, I am not satisfied that the deposits of iron ore within the Commonwealth are of such dimensions as to warrant wholesale export. I have taken the trouble to look up the statistics available, mostly in the "Commonwealth Year Book," and members, if they wish to follow up the matter, will find detailed information in the issue for 1929. The particulars set out therein will, I think, lead them to the conclusion that we have not more of this valuable mineral than we are likely to require. The suggestion has been advanced that we raise no objection to the export of wool and wheat. The comparison is by

no means analogous. Wool and wheat represent recurring crops, but a mineral once taken out of the ground is gone for all time. Economists and others are giving much thought to the grave position of the Commonwealth, and are continually impressing upon us the necessity for Australia attaining a more balanced economy in the future. They urge that greater attention be given to the secondary or manufacturing industries; and we must agree that that is a sound policy. Our private industries are well established, and some of them appear to be approaching the saturation point. With that knowledge at our disposal, we must realise that future employment in that direction does not hold out unlimited promise. We require more than primary production. The utilisation of some of our base metals would open up avenues of employment for coming generations. We are living in an age when iron and steel are steadily being used to a greater extent, and so far as we are able to judge, the increased use will continue for a long time. If that is so, then, so far from advocating the wholesale export of iron ore, as suggested by those who ask that the embargo be lifted, the time has arrived for us to urge the Commonwealth Government to encourage the manufacture of iron and steel in Western Australia.

The PRESIDENT: Order! I take it the hon. member is speaking to the amendment.

Hon. W. J. MANN: I am coming to the amendment. With all due respect, Mr. President, the motion and the amendment are much interlocked.

The PRESIDENT: That is true, and that is why I did not stop the hon. member earlier.

Hon. W. J. MANN: Consequently I have taken the liberty to speak generally.

Hon. J. J. Holmes: You cannot discuss the one without referring to the other.

The PRESIDENT: At the same time I hope the hon. member will indicate his intention regarding the amendment.

Hon. W. J. MANN: I intend to do so. I cannot see my way clear to support Mr. Thomson's amendment, because I feel it is not justified. Even if we accept the estimate of persons interested in the export of iron ore, which would indicate that our reserves are of very great magnitude—and I hope they are—I do not think they are illimitable. The export of a commodity such as iron ore cannot be continued for all time, and our duty is to ensure that our reserves are safeguarded. I agree with the amendment to the extent that the State may sustain some loss, in that the avenue for employment will be restricted, but I think the loss in that respect has been magnified. I am unable to believe that the volume of employment suggested would be involved. One member mentioned three ship loads a week. I think the Premier referred to over 100 ships a year being engaged in the trade, and that would represent roughly two ships a week. I do not think that volume of trade was likely to be atttained, but even accepting that estimate, the principle of subsidising each of the States of the Commonwealth for real or, as in this instance, problematical losses because of the curtailment of some industrial activity, is indeed dangerous. Imagine what would happen if every time the Commonwealth decided that some industrial activity should be curtailed, the State affected were to fly to the Commonwealth with a request for compensation! An extraordinary position would arise, the foolishness of which would soon be appreciated by the public.

In any event, I am not sure that the loss alleged in this particular instance would not be preferable to the establishment of foreign interests on our shores. I feel, with others, that the opening up of the Yampi iron ore deposits under the conditions suggested would mean that before very long quite an undesirable situation would develop on our north-western coast. We know that the country desirous of purchasing our iron ore is militaristic to a very high degree, and has declined to join in regimentation in other directions. Its leaders say, "We will please ourselves; we will do as we choose, and we will not take any heed of what any number of other countries desire." If the company that intended to operate in the North-West had actually started, the business we expected to accrue to Western Australia would probably not have been enjoyed by our people but would have been kept in the hands of those who were working the iron ore deposits. We frequently hear of sampans and Japanese boats on our northern coast, and if, under the conditions that exist in the pearling industry to-day, no advantage from that industry is being reaped by the people in the North, I feel sure that the same conditions would apply—only with greater severity if that were possible—in regard to iron ore. During the past few years the increase in the utilisation of iron

ore has been very great. In the last two years it has been phenomenal. I suppose we may recognise that the additional quantities used in the last two years have been largely devoted to the production of armaments and we all hope that the use of the iron for that purpose will not be continued at the same rate.

The unborn generations of the future have a claim to the natural resources of the country. Thus it is incumbent upon us to insist upon a reasonable conservation of all our valuable commodities. If we are not careful it will be said of us that we sold our birthright for a mess of pottage, and that would be a disastrous indictment against this generation. I am sorry the Federal Government did not proclaim the embargo earlier. However, better late than never! To the credit of the Federal Government let me say that, upon realising the error that had been made, it had the courage to rectify the mistake and for this reason its action has my support. I propose to vote against the amendment and against the motion.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [8.19]: I am not supporting either the amendment or the motion. Looking back over the years during which Koolan Island has been the subject of discussion, I recall that a member of our Parliament endeavoured to persuade financial interests not only of Australia, but of England to develop the iron ore industry on that island. An opportunity was given to the Western Australian Government to undertake the work on behalf of Western Australia. Mr. John Thomson in a discussion with me said that if development were carried out on proper lines a market could be found for the iron ore. He was unsuccessful in his efforts to persuade people along those lines. Then the development of the ore by the Queensland Government was proposed. That Government had the matter under consideration for some time, but finally it also rejected the proposal. By some means or other Sir James Connolly had the matter investigated. I do not know whether he was responsible for arousing the interest of that company which is regarded as a pseudo company and which apparently succeeded in inducing foreign interests to provide capital to develop the deposits.

The fact remains that an opportunity was given to Western Australia and to Queensland to develop the industry. Advantage was not taken of such opportunity and the development of the island was passed on to a foreign country. The island itself is a mountain of iron ore of great value. What could that foreign country do for Western Australia as a whole? It could remove that mountain of iron ore for its own benefit, but would do little for Western Australia. Nothing would be done towards the development of the mainland adjacent to Koolan Island. When the foreign country had finished removing ore from Koolan Island the same desolation would exist on the mainland as exists to-day. When it comes to a matter of passing a motion of censure on the Federal Government for imposing an embargo, I would point out that the Federal Government must have had some knowledge of the fact that Western Australia and Queensland had an opportunity to develop the deposits at one time and did not take advantage of it. Therefore the Federal Government felt justified in not opposing the desire of the English company to exploit ore on Koolan Island. However, with the march of time the Federal Government found that things were not as it had thought. I am prepared to believe what the Federal Government said, namely, that on further investigation it ascertained there was not sufficient iron ore in Western Australia to justify exportation from the Koolan Island deposits. Moreover, in view of the international situation, it is a good thing that the embargo was imposed. The country that would have been using the iron ore is a potential enemy of Australia and we ought not to give it opportunities to arm against us.

Fifty years ago I was a resident at Port Darwin in the Northern Territory when the colonisation was not very great. People then used to speak about the way in which sampans manned by people of different nationalities visited the locality and remained in the harbours and rivers of the North. Many people considered that the territorial limit of three miles was an absurdity, and that the distance should be extended. We know that the limit was fixed at the range of a naval gun of those days. The range of a naval gun has considerably increased since then. Other countries have extended the limit, and if Australia extended the limit as America has done, a good deal

of the trouble that exists in northern Australia would be eliminated.

I am prepared to support the Federal Government in its attitude, because of the reasons it gave, and for many other reasons. The iron ore deposits at Koolan Island will remain where they are, and can be used for the benefit of Australia as a whole. Though Australia has been unable to do anything with them in the past, I hope that development will take place in the future. I would rather see the ore used by Australia than by other countries against us. I am not in sympathy with the amendment or the motion, and will oppose them.

HON. E. H. ANGELO (North—on amendment) [8.25]: I intend to speak on the amendment. In speaking on the motion, I gave the reasons why I could not vote for it. I cannot vote for the amendment either, although I prefer it to the motion. What I should like, and what can be done whether or not the motion is carried, is that the State Government in approaching the Commonwealth should point out that, owing to the embargo, and also in view of the long time the Commonwealth took to realise the position before imposing the embargo, Western Australia has lost something. I do not like the idea of asking for a grant. We should request the Commonwealth to make some effort to induce people of means who deal in iron, and the manufacture of iron and steel, to embark on the industry in this State. If necessary, the Federal Government, by way of compensating Western Australia, could assist by granting a subsidy. I desire to point out one aspect of the negotiations that the Council does not appear to realise. The point was touched on by Mr. Holmes when he mentioned the small amount Western Australia was likely to receive for its iron ore. I should like to read an extract from a report made by Mr. J. W. Brody, an American expert, who was and may now be associated with the Queensland State Iron and Steel Works. He said:—

> The most important British ore deposits contain only about 30 per cent. of iron; nevertheless, they are worked profitably: the red hematite deposits near Lake Superior yield from 50 per cent. to 55 per cent. of iron, and it pays well to transport this rich ore practically 2,000 miles by rail and water to the cheap coal at Pittsburgh, with no back-loading to help to minimise the cost. The great Minette deposit in Lorraine, from which Germany received about two-thirds of her total ore supply, contains only 36 per cent. of iron. In contrast to this the Cockatoo Island deposits have reached 69.6 per cent.

Hon. J. J. Holmes: That is Yampi Sound.

Hon. E. H. ANGELO: Cockatoo Island and Koolan Island are adjacent. The report states—

> In contrast to this, the Cockatoo Island deposits average 69.6 per cent., taken from five samples of ores, which is almost pure iron, and the silica, phosphorus and sulphur contents are exceedingly low. Thus this ore is phenomenal in its richness. I consider it the best and cheapest proposition of its kind in the world.

Hon. W. J. Mann: Have you the percentage of Iron Knob ore?

Hon. E. H. ANGELO: No, he has not given that.

Hon. W. J. Mann: It is very high.

Hon. E. H. ANGELO: Mr. Brody continues—

> Consideration must also be given to the fact that this ore, about the richest known ore of its kind, is practically free from both phosphorus and sulphur, and although its high percentage in metallic iron does not appreciably show in the costs of the ore itself, yet its effect will be greatly felt in lowering the costs of the manufactured products, pig iron and steel, inasmuch as proportionately less tonnage of ore will be required for each ton of pig iron, and the time necessary for manufacture greatly lessened, while the quality of both the iron and steel would be absolutely first-class.

I showed that report to a gentleman who is one of the keenest business men in Perth, a man well acquainted with the value of ores, and who, to a certain extent, is interested in the manufacture of iron and steel. I said, "In your opinion, what royalty should the Government have obtained? The proposed royalty is 9d. of which the Government receives 4d. a ton." He said, "That is absolutely ridiculous. From the report of this well-known expert, and in view of the fact that the ore can practically be loaded direct into the ship, the Government should have asked nothing less than 10s. a ton."

Member: Instead of 4d.?

Hon. E. H. ANGELO: It was 9d. altogether. This is the aspect I wish to place before the Council: The Chief Secretary told us of the huge loss we are incurring by losing this trade. He said that we would lose £250,000 on 15,000,000 tons of ore.

Hon. J. J. Holmes: Over a period of 25 years.

Hon. E. H. ANGELO: Yes. If the opinion of my friend is right, we have lost £7,500,000. Suppose we could have obtained 5s. a ton, we would have lost in royalties £3,750,000 instead of a paltry £250,000.

Hon. J. Nicholson: May I suggest that that has been saved as a result of the embargo?

Hon. E. H. ANGELO: Exactly. The point I wish to make is that if the Government enters into any other negotiations, it should not be satisfied with 9d. a ton, but should obtain a much more substantial royalty. If my friend's contention is right and we should have had 10s., then during the next few years Western Australia would have received £7,500,000 royalty. This would have shown that the North has great possibilities.

On motion by the Honorary Minister, debate adjourned.

House adjourned at 8.33 p.m.

Legislative Assembly.

Tuesday, 27th September, 1938.

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

QUESTION—STATE SHIPPING SERVICE.

Retirement of Manager.

Hon. C. G. LATHAM asked the Minister representing the Chief Secretary: 1, On what date was Mr. S. S. Glyde notified of the termination of his appointment as manager of the State Shipping Service on account of his reaching the retiring age? 2, On what date did he commence leave previous to retirement?

The MINISTER FOR RAILWAYS replied: 1, Mr. Glyde was sent to England on 22nd June, 1936, in connection with the building of the m.v. "Koolama." After his return, on the 17th November, 1936, he was advised that his services would be retained until the m.v. "Koolama" entered the State Shipping Service. Following such advice, he was notified of the termination of his service on the 30th May, 1938. 2, 1st June, 1938.

BILLS (3)—FIRST READING.

1, Mortgagees' Rights Restriction Act Continuance.

Introduced by the Minister for Lands.

2, Fremantle Gas and Coke Company's Act Amendment.

Introduced by the Minister for Works.

3, Auctioneers Act Amendment.

Introduced by the Minister for Justice.

BILL—HEALTH ACT AMENDMENT.

Read a third time and transmitted to the Council.

ANNUAL ESTIMATES, 1938-39.

In Committee of Supply.

Resumed from the 22nd September; Mr. Sleeman in the Chair.

Vote—Lands and Surveys, £57,850:

HON. C. G. LATHAM (York) [4.33]: I had not intended to discuss the Lands Estimates and was prepared to leave it to other members on the Country Party benches to advance what views they deemed necessary. But the Minister, as usual, indicated that he intended to draw some statement from the Leader of the Opposition. We endeavoured to interrupt as little as possible during the Minister's speech, but a small, innocent interjection of mine resulted in his getting very cross. I regret that the Minister becomes offensive when he is cross. I commend the Government for its actions in writing down the value of properties, and I certainly have no complaint to voice in that