

would warrant the expenditure. Therefore I oppose the motion.

Question put and negatived.

*In Committee.*

Mr. Sleeman in the Chair; Mr. Sampson in charge of the Bill:

Clause 1—agreed to.

Clause 2—Interpretation:

Mr. WATTS: "Dividend" is defined as including interest. I can find no reason for that and should like to have an explanation from the hon. member.

Mr. SAMPSON: Dividend includes interest in matters relating to the payment on bonds. It is an equivalent term, although bearing a different name.

Hon. C. G. LATHAM: I move an amendment—

That the following definition be inserted:—" 'Sale' or 'Sell' where not contrary to the context includes 'exchange.' "

This is intended to prevent share hawkers from taking shares in exchange for shares in the company they are representing. The object is to prevent the occurrence of what was brought before us last year by the select committee.

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

Progress reported.

*House adjourned at 10.22 p.m.*

## Legislative Council,

*Thursday, 13th October, 1938.*

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

### BILL—NORTHAM MUNICIPALITY LOAN AUTHORISATION.

Read a third time and *passed*.

### BILL—LOCAL COURTS ACT AMENDMENT.

*Second Reading.*

Debate resumed from the previous day.

**HON. J. NICHOLSON** (Metropolitan) [4.35]: When Mr. Heenan explained the purpose of this Bill, it occurred to me that the proposed amendment is, with the exception of the provision for exemption of £25 in two cases, simply a repetition of the Act as it stands. The proposal is to extend the exceptions I have mentioned by a considerable amount, and the question that naturally arises when an amendment of this nature comes before us is whether the alteration is in the interests of the general community. Personally, I am inclined to view the alteration as being detrimental to the community. The exceptions provided by the Act are liberal, much more liberal than are the exceptions in the English Act, from which we derived the provisions of our original Local Courts Act. I desire to quote Section 49 of the Ordinance for the Recovery of Small Debts and Demands (37 Vict., No. 21)—

Every bailiff or officer executing any process of execution issuing out of the said courts against the goods and chattels of any person may by virtue thereof seize and take any of the goods and chattels of such person (excepting the wearing apparel and bedding of such person or his family, and the tools and implements of his trade to the value of five pounds, which shall to that extent be protected from such seizure) . . .

Hon. G. Fraser: In what year was the Act passed?

Hon. J. NICHOLSON: Many years ago.

Hon. G. Fraser: I thought it was back in the dim ages.

Hon. J. NICHOLSON: Our present Act is practically a copy of the English Act of 1888, which is still in force.

Hon. G. Fraser: It is time it was altered.

Hon. J. NICHOLSON: The only exception is the amount of £5, which includes the value of the various articles mentioned. Our Local Courts Act, which was passed in 1904, has been quoted and dealt with fully by Mr. Parker. In lieu of the exceptions provided in the original Act, the following exceptions take effect—

Wearing apparel of such person to the value of five pounds, and of his wife to the value of five pounds, and of his family to the value of two pounds for each member thereof dependent on him; bedding to the value of five pounds, and an additional sum of one pound for each member of his family dependent on him, implements of trade to the value of five pounds . . .

All those items are now excepted. The amendment proposes to re-enact the exception of £5 for wearing apparel of the person against whom the warrant is issued, and of his wife to the value of £5, and of his family to the value of £2 for each member dependent on him. The serious alteration, however, is the proposal to increase the amount of the exception to £25 for bedding, household furniture and appliances; and to increase the amount of the exception to £25 for implements of trade. The proposal is to increase each of those exceptions by five times the amount of the present exception. What will be the position? I have often heard the contention raised that it would be a good thing to stop all credit; but to do so would inflict hardship upon the ordinary householder. There is scarcely a man in the community who does not require credit at one time or another. He must have credit.

The Honorary Minister: He generally gets too much credit.

Hon. J. NICHOLSON: If that is so, this Bill would give him the opportunity to obtain even greater credit, and that is inadvisable. If anything is calculated to harm the community, it is the destruction of credit and the means of recovering debts contracted in good faith and on credit. Destroy that, and we destroy business.

The Honorary Minister: The Bill will not destroy business.

Hon. J. NICHOLSON: Undoubtedly it will destroy business and have the greatest influence on the community. Every householder will be affected, because, should he require a little credit to be extended to him at any time after the Bill becomes law, not a single grocer, baker, butcher or other person engaged in business will give him any credit whatever. This will be the means of rendering it practically impossible for the person who in good faith has given that credit and that latitude to effect recovery of the debt which has been contracted.

Hon. A. Thomson: But there is a vast deal of unsecured credit.

Hon. J. NICHOLSON: The passing of the measure will prove harmful to trade and business generally, and will not be in the interests of the householder. Having regard to the fact that the Bill increases the amount of the exceptions at present prevailing in England practically ten times, I see no justification for its proposals. I oppose the second reading.

HON. A. THOMSON (South-East) [4.46]: I shall not oppose the second reading of the Bill. The figures quoted by Mr. Parker show that only decimal-point one and something of families have had their possessions taken over by the bailiff. I agree with Mr. Fraser that times have changed. When the Act was passed wages were probably half of what they are to-day, and costs compare on the same basis. I cannot agree with Mr. Fraser, however, that a carpenter's tools of trade cost about £40. In my opinion the amount is £20 or £25. In the case of some trades, probably £5 would suffice. All things considered, the differences involved are so small that I have no fears as regards passing the Bill. I am sorry to disagree with Mr. Nicholson's view that it will interfere with the granting of credit. I am rather inclined to support the measure. I share the view expressed by the Honorary Minister, by way of interjection, that far too much credit is given. Businesses on the cash basis are able to carry on successfully; but unfortunately traders who give credit lose a considerable percentage. If everyone paid cash, probably the cost of living would not be quite so high as it is now. The Bill proposes to make increases in the allowances for wearing apparel. A possible allowance of £25 for bedding may seem excessive, but after all it is not such a great deal. My vote

will be cast to protect the poor unfortunate fellow who is in trouble.

**HON. C. F. BAXTER** (East) [4.48]: I shall support the Bill out of consideration for people who find themselves in an unfortunate position. The amounts proposed by the Bill are not large. For instance, the £25 for furniture does not represent any large possessions of that kind. For tools the ordinary workman requires at least £25 in order to earn his living.

Hon. J. J. Holmes: Not 3 per cent. of them have tools to that value.

Hon. C. F. BAXTER: What about the engineering trade?

Hon. A. Thomson: In that trade tools are always supplied.

Hon. C. F. BAXTER: By no means always. I have employed engineers, and I know that their tools of trade are highly expensive. Engineers working for me have used kits of tools up to a value of £75. But here is the point: if a man is tied down to tools of a certain value, he cannot do justice to his employment. One important aspect is that persons extending credit should see, when extending it, that those being granted it are worthy of credit. That is the angle to be watched. The Act is like all other Acts, and requires to be brought up to date. As Mr. Thomson said, the Act may have been all right when passed, but conditions have changed considerably since then. I wish to extend a little consideration to the man who may find himself in an unfortunate position. I wish to leave him a sufficiency of personal belongings, and the tools necessary for the earning of his and his family's living. He should also have a little over for his family, instead of everything being taken from him.

**HON. L. CRAIG** (South-West) [4.52]: I support the second reading, but am not in agreement with the Bill in its entirety. In my opinion it requires amendment in Committee. Differences between the existing Act of 1904 and the Bill are to be found in only two items. Under the Act wearing apparel is exempted to the extent of £5, and the Bill in that respect is similar. The same remarks apply to wearing apparel for the wife. Then the Bill proposes to allow £2 for wearing apparel in the case of each child. There is a difference in bedding and furniture, the Bill proposing £25 whereas the Act merely

allows £5 for bedding. For tools of trade the Act allows only £5 whereas the Bill proposes £25. Taking the values of 1904 and comparing them with those of the present period, £5 in 1904 would purchase not less than £10 will purchase to-day. We could not allow less than £5 for wearing apparel of the man and of the wife. In the case of the man it represents merely a suit, a shirt and a pair of boots. If no one else moves in Committee that the amount of £25 for tools be reduced to £10, I shall do so myself, in order to bring the Bill into line, as regards values, with the Act passed in 1904. Tools of the second-hand value of £25 might mean £50 worth of new tools. I support the second reading, and in Committee will move as I have indicated, unless another member does so.

**HON. G. B. WOOD** (East) [4.54]: I support the second reading. Many of the remarks made against the Bill, notably by Mr. Parker, seem based on a belief that all debtors are dishonest. I will not have that at all. Many genuine debtors without being in any way dishonest are unable to pay their debts. Perhaps Mr. Parker sees many I do not see, and comes in contact with numerous people who are dishonest. Remarks have been made as to tools of trade. I say definitely that the kits of tools of numbers of mechanics could not be bought for less than £25. That refers especially to mechanics who live in Perth and come to the country to effect repairs to tractors, for instance. I have no objection whatever to the Bill, and in Committee shall support every clause as it stands.

**HON. E. M. HEENAN** (North-East—in reply) [4.56]: I am encouraged by the majority of the observations which have been made regarding the Bill. Members who have spoken against it appear to me to have done so under two or three misapprehensions. The first misapprehension to which I would draw attention is as to the procedure when a person gets into debt. Say he owes £50. A summons is issued, and if the case is fought in court the plaintiff gets judgment. There may not be any dispute in court; then the plaintiff gets judgment by default. The next thing that concerns the plaintiff is the collection of his money. For that the law provides in a number of ways. One is by means of the warrant of execution. Another

is by means of the judgment summons. A third is by means of the garnishee process. As regards the first means, there are many people against whom it is useless to issue a warrant of execution. That is all right in the case of a debtor who is substantial, who owns a considerable amount of property. If he does not pay up, the creditor obtains a warrant of execution, and seizes the debtor's motor car, or furniture, or house and land, and has them sold by auction. If the debtor has money in the bank and merely refuses to pay a just debt, a garnishee summons can be issued and the bank can be ordered to pay some of the money out of his bank account.

Hon. J. Cornell: If his motor car and his household furniture are on time payment, nothing can be done.

Hon. E. M. HEENAN: Then there is the third remedy, which is most commonly used against the average working man. In his case, if he is receiving weekly wages and simply renting a house and has only the bare requirements of life, what is done, according to my experience, in ninety-nine cases out of a hundred is to issue a judgment summons. Then the debtor is brought before a magistrate, and examined as to his financial position, his family requirements, and so forth, and says, "I am satisfied that you are in a position to pay £1 per week," or it may be 10s. or 5s.—

Members: Or half a crown.

Hon. E. M. HEENAN: —or half a crown, or perhaps nothing. The magistrate makes an order accordingly; and if that order is not complied with, the debtor can be imprisoned. I draw members' attention to the fact that the Bill does not ask very much, and that the people it does provide for are those on the border line, against whom it would be a hardship to issue a warrant of execution. The creditor will not be denied his remedy; he will have plenty of other remedies, and no hardship will be inflicted upon him. Values have changed greatly since the Act was passed in 1904, and our ideas have also changed. Probably we now have a different outlook. Penalties inflicted nowadays are not nearly so severe as they were 20, 30 or 50 years ago. We are progressing, and I hope we have a better perspective than had the framers of the Act in 1904.

Hon. L. Craig. And business morality has changed, unfortunately.

Hon. E. M. HEENAN: Mr. Craig's remarks were based on the assumption that the values fixed in 1904 were correct, and he thought we should merely double the amounts.

Hon. J. Nicholson: They were increased considerably in 1904 on the values previously specified.

Hon. E. M. HEENAN: I am pleased that the Bill has received a certain amount of support. I feel sure that no hardship will be inflicted upon anybody by the passing of the measure, but that in some instances a great amount of relief will be given to unfortunate individuals.

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

Ayes	..	..	..	18
Noes	..	..	..	7

Majority for .. 11

AYES.	
Hon. E. H. Angelo	Hon. E. M. Heenan
Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. L. B. Bolton	Hon. J. M. Macfarlane
Hon. L. Craig	Hon. W. J. Mann
Hon. J. A. Dimmitt	Hon. H. V. Piessé
Hon. J. M. Drew	Hon. A. Thomsen
Hon. J. T. Franklin	Hon. C. H. Wittenoom
Hon. G. Fraser	Hon. G. B. Wood
Hon. E. H. Gray	Hon. T. Moore
	(Teller.)

NOES.	
Hon. J. Cornell	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. S. W. Parker
Hon. G. W. Miles	(Teller.)

Question thus passed.

Bill read a second time.

#### *In Committee.*

Hon. J. Cornell in the Chair; Hon. E. M. Heenan in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 126:

Hon. L. CRAIG: I move an amendment—

That in line 8 of the proviso the words "twenty-five" be struck out with a view to inserting the word "ten."

These are secondhand values. A debtor could have as much as £100 worth of goods, including furniture and tools, which would have a sale value of £50 at the most, and he could borrow on the security of those goods, which could not be touched by a creditor, a sum of £70 or £80. Then when the goods were seized, the debtor could claim that they were worth only £25. That would be allowing too much latitude.

Hon. G. B. Wood: Where could he borrow £80 on them?

Hon. L. CRAIG: The actual value would be £80.

Hon. G. B. Wood: He could not borrow that much on them.

Hon. L. CRAIG: A man could buy new furniture, bedding and tools to the value of £100, and pay nothing for them, and when they were seized they would have a value of less than £50 under the measure. We should not allow so much latitude.

Hon. J. A. DIMMITT: An increase should be granted on equipment as well as on household goods. I should like the Committee to fix the amount at £15.

The CHAIRMAN: The words "twenty-five" must first be struck out.

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

Ayes .. .. .	15
Noes .. .. .	9

Majority for .. .. 6

#### AYES.

Hon. E. H. Angelo	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. G. W. Miles
Hon. L. Craig	Hon. J. Nicholson
Hon. J. A. Dimmitt	Hon. H. S. W. Parker
Hon. J. T. Franklin	Hon. H. V. Piesse
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	(Teller.)

#### NOES.

Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. A. Thomson
Hon. G. Fraser	Hon. G. B. Wood
Hon. E. H. Gray	Hon. T. Moore
Hon. E. M. Heenan	(Teller.)

Amendment thus passed.

Hon. L. CRAIG: I move an amendment—

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

Hon. E. M. HEENAN: I hope members will agree to a larger amount. Ten pounds would not go far for bedding, household furniture and appliances. The average family of a working man would include the wife and two, three or four children. There would be several beds which, together with the bedding and the odds and ends required in every house, should be worth well over £10.

Hon. J. Nicholson: Suppose there are no children.

Hon. L. Craig: And suppose he has not a wife.

Hon. G. Fraser: Even £10 would be a very small sum for a man and his wife.

Hon. E. M. HEENAN: I want to strike an average. Most members are married and have a few children. The average person against whom a warrant of execution is issued is also married and has a wife and two or three children. We must legislate for general cases. Surely bedding, furniture, and other household requirements can be valued at more than £10. I suggest that the amount to be inserted be £15.

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

Ayes .. .. .	13
Noes .. .. .	11

Majority for .. .. 2

#### AYES

Hon. E. H. Angelo	Hon. G. W. Miles
Hon. L. B. Bolton	Hon. J. Nicholson
Hon. L. Craig	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. H. Seddon
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. H. S. W. Parker
Hon. W. J. Mann	(Teller.)

#### NOES

Hon. C. F. Baxter	Hon. E. M. Heenan
Hon. J. A. Dimmitt	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Fraser	Hon. G. B. Wood
Hon. E. H. Gray	Hon. A. Thomson
Hon. V. Hamersley	(Teller.)

Amendment thus passed.

Hon. L. CRAIG: I move an amendment—

That in line 9 of the proviso the words "twenty-five" be struck out, with a view to inserting another word.

Amendment put and passed.

Hon. A. THOMSON: We should take a more liberal view of this matter. A man cannot purchase a full kit of carpenter's tools for anything like £10, but should a kit be worth less than that the bailiff cannot touch it. After a bailiff has gone through a quantity of tools to satisfy a debt of £10, the remainder will be of very little use to the owner, whose means of livelihood will have gone.

Hon. J. A. DIMMITT: In the motoring industry £15 is a small sum to allow for the tools of a tradesman. Over and above the ordinary kit, many motor mechanics pay £32 10s. for a special outfit. Even at second-hand value £15 is little enough to allow.

Hon. H. V. PIESSE: I, too, think £10 is too small a sum to allow in this instance.

Hon. H. S. W. PARKER: The general impression is that when a man has tools of trade the creditor will seize them. My ex-

perience is that if the tools are of some value, the owner will soon be able to get work and pay the debt.

Hon. G. Fraser: If that is so, it would not matter if the tools were worth £100.

Hon. H. S. W. PARKER: No. We must legislate not for special but for general cases. A warrant of execution is seldom issued against anyone that attempts to meet his liabilities. We should not, however, allow anyone to protect himself behind this legislation to the extent of wriggling out of his responsibilities.

Hon. L. B. BOLTON: I prefer to err on the side of leniency and am prepared to go up to £15. We should protect the tools by which a man earns his livelihood. When a man comes to me for a position and I find he is well equipped with tools, I am the more inclined to give him a job.

Hon. G. FRASER: Many creditors will take whatever they can lay their hands on. In the case of an artisan the first thing a bailiff would take would be the kit of tools.

Hon. J. A. DIMMITT: I move an amendment—

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

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

Title—agreed to.

Bill reported with amendments.

## RESOLUTION—YAMPI SOUND IRON ORE DEPOSITS.

### *Commonwealth Embargo.*

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

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

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

That the following words be added to the motion for concurrence:—"Provided the resolution be amended by striking out all the words after 'Western Australia' and inserting in lieu the following words:—'considers the embargo imposed by the Federal Government on the export of iron ore—which has been done in the

interests of the whole of Australia—means a serious loss to the State of Western Australia in particular, and it is considered therefore that a substantial grant should be made by the Federal Government to compensate this State for the disastrous effect this embargo has caused in the loss of employment for its workers and the retarding of development in the Yampi area; such grant to be earmarked for the development of the northern portion of the State.'"

HON. T. MOORE (Central [5.32]: I wish to correct an impression that may be gained from an interjection attributed to me in the "West Australian's" report of last night's debate. When Mr. Miles was speaking, he referred to charges made by Mr. Holmes against Sir James Connolly, and I interjected to the effect that he was discredited. I did not mean that Sir James Connolly was already discredited by people with whom he was associated. What I meant to indicate was that if the statement made by Mr. Holmes against Sir James Connolly was correct, it reflected on his commercial morality and, in the circumstances, Sir James would be discredited. In the event of such a statement being made, irrespective of what may be done to counteract its effect, a certain stigma attaches to the reputation of the individual concerned. Sir James Connolly is quite unknown to me; I know nothing about him. So far as I am aware, he is a most honest man. I do not want the impression to get abroad that I made a statement that Sir James Connolly was discredited. Unfortunately the interjection, as published in the "West Australian," conveys an impression quite contrary to what I intended.

Hon. J. Cornell: Your interjection was, "He is discredited now."

Hon. T. MOORE: Yes. "discredited now" by the statement made by Mr. Holmes.

Hon. J. Cornell: You did not say that.

Hon. T. MOORE: That is what I meant by my interjection. Members know that if an attack is launched upon an individual by someone in this House, quite a number of people say that there must be something in the contentions raised or the member would not have made the statements.

Hon. A. Thomson: That is so.

Hon. T. MOORE: I had that point in mind when I interjected. Dealing now with the amendment and the embargo placed upon the export of iron ore from Yampi Sound, the action of the Federal Government was

particularly unfortunate from the standpoint of Western Australia. There was some hope of securing the development of at least portion of the State—the far North—but that hope was nipped in the bud in consequence of the Commonwealth's action. I would not feel constrained to find fault if action had been taken on the ground that the iron ore would be helpful to a country that at some future date might make war upon Australia. But if the country that has been mentioned during the course of the debate intended to procure iron ore for the manufacture of armaments, even the embargo on the export of iron ore from Yampi Sound would not prevent its securing the necessary supplies. Other countries are quite prepared to sell iron ore in quantities adequate for the purposes of that particular nation. I do not think that anything the Federal Government could do by way of placing an embargo on the export of iron ore could really affect the position. We do not know exactly what are the iron ore resources of Australia; I do not pretend to know the first thing about that subject. The Federal Government has not only refused to allow the export of iron ore from Australia, but has prevented the development of our deposits at Yampi Sound. Members will agree that, once those deposits were opened up, there would always be the possibility of the ore being used for some purpose other than for export. It might be quite possible for the raw material to be used in the manufacture of various articles within Australia. If the Federal Government decides that we are not to be allowed to develop a certain portion of the State as we desire, then it has a duty to perform in the interests of the part of Western Australia so affected. Of that there can be no doubt. In the circumstances, the Federal Government must do something for the North. That is the attitude I take on this question. I had hoped that members of this Chamber would have ranged themselves unanimously in support of the Government and forwarded a whole-hearted protest to the Federal Government, which would have indicated that Western Australia desired definite assistance to be rendered to the North and to its industries.

Hon. G. W. Miles: Hear, hear!

Hon. T. MOORE: Action by the Federal Government along those lines would be

merely fair. I had hoped there would be no division of opinion among members of both branches of the Legislature on the resolution of protest. Another point that I regard as important is that the Federal Government allowed the company to spend a considerable amount of money in preliminary work at Koolan Island and to start to open up the iron ore deposits. To me it appeals as quite wrong to permit the company to spend a lot of money, only to be confronted with an embargo on the export of iron ore. That is wrong in principle. If we propose to do business with foreign countries in the future, this experience of the iron ore deposits at Yampi Sound may be used against us. Actions such as that of the Federal Government may certainly be expected to recoil against the interests of Western Australia. In the circumstances, the Federal Government should definitely do something with regard to the Yampi Sound deposits. The Federal Government, if it will not allow the iron ore to be exported, should take steps to make the ore available for use within Australia. Iron ore in the Eastern States is turned to some use and we should ask the Federal Government to encourage similar undertakings in Western Australia. I have participated in the debate with the desire to make my position clear.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West—on amendment) [5.39]: The debate on the amendment, which I oppose, has afforded members an opportunity to express their views on this important national question. I have been surprised at the diversity of opinions among members who represent the North Province. I desire to express my appreciation of the tenor of Mr. Miles's remarks last evening. He went to a lot of trouble to emphasise what he had stated on previous occasions regarding the possibilities of the North. He also enlarged upon the setback experienced in that part of the State by the refusal of the Commonwealth Government to allow our iron ore deposits to be developed.

Hon. J. Cornell: Can the Minister account for the silence of Mr. Green, M.H.R.?

**THE CHIEF SECRETARY:** I am not concerned at the moment about Mr. Green, nor do I think the hon. member is.

Hon. J. Cornell: He represents that part of the State.

Hon. A. Thomson: So do we.

The CHIEF SECRETARY: I draw attention to the diversity of views expressed by the representatives of the North Province. In doing so, I do not wish for one moment to suggest that any member who has spoken is not honest in his convictions. I do claim, however, that some of the views expressed will be received with a great deal of surprise by people who are just as interested in the northern parts of Western Australia as are those particular members. Mr. Moore's speech this evening, though brief, was to the point. The iron ore deposits at Yampi Sound are useless unless they are developed. If the company that commenced developing the deposits had been allowed to continue operations, then, in the event of a national emergency arising, the ore would have been available for Australia. As it is, seeing that the deposits are undeveloped, should a national emergency arise, our iron ore that might be urgently required for Commonwealth purposes would not be available for two or more years.

In submitting his amendment, Mr. Thomson appears to have overlooked the fact that members of the Federal Parliament have given notice of intention to move for the disallowance of the regulation under which the embargo was imposed. Until the stage is reached when the Federal Parliament has dealt with the regulation and confirmed the action of the Commonwealth Government, it will be somewhat premature for this House to discuss the claim for compensation. If the regulation is disallowed, that will end the matter and, I presume, the iron ore deposits will be developed. On the other hand, should our present endeavours prove of no avail, consideration will no doubt be given to the question of compensation later in the session. The issues involved are such that we should be united and, notwithstanding the remarks made by Mr. Holmes, I have an idea that even he greatly regrets that the Federal Government deemed it necessary to adopt a procedure the effect of which was to prevent the development of the Yampi Sound iron ore deposits. Should we find ultimately that the regulation is to stand and the development at Yampi Sound has definitely to cease, I feel sure the State Government will give Parliament an opportunity further to discuss the matter with a view to considering what measures should be taken to obtain compensation for the very serious losses oc-

casioned by the Commonwealth embargo upon the export of our iron ore.

Hon. A. Thomson: That is why I moved the amendment; I thought it would help.

The CHIEF SECRETARY: From that standpoint, the amendment is somewhat premature. The question has not yet been finalised in the Federal Parliament. When it is finalised, should we find that, notwithstanding the action we have taken, our efforts have proved futile, the question of compensation will remain one to which any Government would give consideration. As I remarked earlier, in the event of that stage being reached, I feel sure that the State Parliament will be given an opportunity to express its opinion. However, until finality is reached in the Federal Parliament, any relaxation of our endeavours to bring about a modification of the attitude of the Commonwealth Government would be wholly unwarranted.

There are other objections to Mr. Thomson's amendment. In effect, it is tantamount to an admission that the information available did justify the drastic action taken by the Commonwealth Government. This is the more remarkable in that none of the members who have expressed themselves in agreement with the Commonwealth's policy has at any stage based his arguments against the resolution on the explanation tendered by the Prime Minister. The reason is obvious; the official explanation will not bear investigation. What grounds are there for supposing, as the amendment sets forth, that the embargo has been imposed in the interests of the whole of Australia. When we consider the official explanation, more particularly in view of the many statements previously made in regard to this matter, that official explanation will not bear impartial investigation. Mr. Thomson stated—

When the negotiations concerning the iron ore were first entered into, neither the Federal Government nor the State Government thought there was likely to be a change in world conditions such as to prompt the former to impose an embargo upon the export of iron ore.

The hon. member has raised an issue that we have been led to believe is unconnected with the embargo, namely, the defence question. This aspect is apparently not involved. At no time has the British Government given any indication that it would welcome action along the lines of the embargo.



Hon. J. Cornell: If there was an official indication, the Minister knows it would not be made public.

The CHIEF SECRETARY: Whether it would be made public or not, there is no gainsaying the fact that iron ore is being exported to-day from British Malaya, and the British Government has not placed any embargo on the export from that country. In this respect it is pertinent to recall what Sir George Pearce said last year—

... one of Japan's chief sources of iron at present is British Malaya, and since the British Colonial Office has made no effort to restrict purchases for Japan in that Colony, it is evident that the British Government is in agreement with the policy of the Commonwealth that restrictions should not be imposed on foreign customers.

Since then the policy of the Commonwealth Government has been revised, but the export of iron ore from British Malaya to Japan is still proceeding.

Hon. W. J. Mann: Were the conditions the same as they are at present?

The CHIEF SECRETARY: I think so. The export of iron ore from British Malaya is still being continued.

Hon. J. Cornell: Western Australia voted Sir George Pearce out of the Senate after that.

The CHIEF SECRETARY: Does the hon. member think that that statement had anything to do with it?

Hon. J. J. Holmes: Did he make that statement while he was in the Federal Parliament?

The CHIEF SECRETARY: Yes.

Hon. J. J. Holmes: Then we put him out for that.

The CHIEF SECRETARY: We can only conclude that Britain realises that, in the event of war with Japan, it would be a tremendous advantage to be in a position to cut off supplies of such a vital raw material. This argument applies to Yampi. If there were a million tons of iron ore available per annum, and that was being supplied to Japan, or any other country, no matter for what purpose, surely it would be a great advantage to be in a position to say, "From this day onward you shall have no more of that iron ore."

A report from Adelaide, dated the 25th September, appearing in a recent issue of the "West Australian," mentioned the possibility of a company being formed to develop iron ore deposits in the Middleback Range

near Iron Knob, in opposition to the Broken Hill Pty. Co. Ltd., with the idea of exporting initially 150,000 tons of pig iron annually to the United Kingdom. This proposal affords another striking illustration of the inconsistency of the Commonwealth Government in imposing the embargo. No restrictions are placed on the continuance of the export of pig iron, which is processed in the Eastern States. Yet these same exports are depleting the most accessible deposits in Australia just as much as if iron ore were being shipped abroad. It is strange that Mr. Holmes, who went to the trouble of urging the Commonwealth Government to keep Japanese vessels out of Yampi, has not protested against this anomaly. I may recall that he suggested—

If the embargo is lifted I feel certain that the Japanese will enter Kimberley and do as they like, just as they have been doing in Broome and elsewhere.

The hon. member did not explain just what the Japanese have been doing at the places comprehended in his rather general statement, but he did seem to imply that the development of Yampi would mean handing over the North-West to Japan.

Hon. J. J. Holmes: I explained that to the Federal Government.

The CHIEF SECRETARY: The hon. member now says that he has explained the position to the Federal Government. Just what does he mean? The long lettergram that he sent to the Federal Government on this matter was rather interesting. When he read the communication to the House, I thought it was strange that we had not heard anything of it before. The hon. member certainly carries a great deal of weight with the Federal Government, if we are to take his word that it was on account of this communication that the embargo was imposed. We shall have to bear in mind in the future that the hon. member has so much influence with the Federal Government, and that if we want something done, he will be the man to approach. Even if we want something prevented, seemingly we shall have to keep in close touch with Mr. Holmes. Let me recall his remarks on the subject of the suggested export of live cattle from the North-West to Japan. The hon. member ridiculed the idea, and said that nobody with any knowledge of the cattle trade of this State would think it possible to export cattle on the hoof from Derby or Yampi to Japan.

He went further, and declared that he knew definitely that this particular company did not intend to embark upon the cattle trade.

Hon. J. J. Holmes: I did not say that.

The CHIEF SECRETARY: The hon. member said that the representative of the company had denied that it was the intention to engage in that trade. I do not think anyone ever suggested it was the company's intention to do so. The suggestion was that there would be possibilities of utilising some of the boats that were carrying the iron ore of the company for the transport of cattle from that part of the State. The hon. member is aware that a number of inquiries were made, and that a survey of the districts around Yampi was authorised with a view to finding a stock route along which cattle could be overlanded to the coast, and later transported to Japan. The Commonwealth Government had an aerial survey made. That was of some value, I believe, and a good deal of money was spent in that direction. I think, however, that the best refutation I can make of the hon. member's contention is to quote an authority on the cattle trade of Western Australia as eminent as is the hon. member: I refer to the president of the Pastoralists' Association, Mr. Lefroy. No one will doubt his bona-fides. Here is an extract from a statement made by him in August, 1937, as published in the "West Australian" of the 14th August of that year. It reads—

Apart from the State aspect and also that of international relationships the Pastoralists' Association of Western Australia is directly interested in the possibility of developing a trade in cattle with Japan in conjunction with the export of iron ore from Yampi Sound. The successful exploitation of such a market would mean a great deal to our Northern cattlegrowers, who are subjected to restrictions in the marketing of their cattle in the southern areas of the State; and encouragement given to further development of such areas would provide some measure of assistance towards the solution of the problem of stemming the declining population of the North.

In anticipation of the provision of shipping facilities the association has been in touch with both the Commonwealth and State Governments for the past 18 months in regard to the preliminary work necessary for the opening up of a stock route from the West Kimberleys to Yampi Sound. In response to representations made, the Commonwealth Government arranged for an aerial survey of the country surrounding Yampi, and in furtherance of this work, the State Government announced only last month that the departmental survey party, which had been organised, would also endeavour

to find a stock route to serve the cattle producers.

That is an authoritative statement and is the opposite of what Mr. Holmes said when speaking to the motion. Whether live cattle can be successfully exported to Japan from the North is something upon which I would not like to express an opinion, but when the president of the Pastoralists' Association says he is convinced that it can be done, provided facilities are made available, and that representations have been made to both the Commonwealth Government and the State Government, we would be well advised to give weight to his opinion and discount, to a very large extent, the remarks of Mr. Holmes.

Hon. G. W. Miles: I have shipped thousands of cattle.

The CHIEF SECRETARY: The Pastoralists' Association should be regarded as an authoritative body on the subject of cattle. The establishment of a settlement at Yampi would have provided a base for defence purposes; it would also have enabled a much closer watch to be kept on the activities of foreign vessels plying along our coast between Wyndham and Derby. I have a vivid recollection of remarks made by Mr. Holmes and Mr. Miles on previous occasions as to the activities of certain foreign vessels along our coast, more particularly with respect to the pearling industry. Mr. Holmes claimed that we could do only two things with the North—grow cattle and sheep and develop the mineral country. I believe we can do both those things, but he did not explain how we could develop our mineral country, when investors are aware that at any time the Commonwealth Government may step in and arbitrarily place an embargo upon the export of the minerals that investors might exploit.

Hon. J. J. Holmes: I cannot be an authority on everything.

The CHIEF SECRETARY: The hon. member spoke as if he were an authority. We have heard frequently in this House a statement to the effect that the action of this, that or the other Government would frighten capital away from the State; that investors would not be inclined to invest large sums of money in developing the State. I suggest that this particular action of the Commonwealth will necessarily have the effect of making the large financial houses wary about providing capital for the development of any

other project in the north of this State. I point out that the Government has no brief for the Yampi interests, nor does it wish to harass or annoy the Federal Government. It is concerned, and only concerned, with preserving the interests of the State. If it were true that those interests were irreconcilable with the interests of the nation as a whole, we would accept the inevitable with the best grace possible. Nothing has been put forward, however, to indicate that the future interests of Australia are in such jeopardy as to warrant the action of the Commonwealth in depriving the State of an unrivalled opportunity to develop its resources in the North-West. We should be wanting in our duty if we did not do everything possible to bring about a modification of the Commonwealth action. With the closing down of Yampi, I feel that not only has a great injustice been done to Western Australia, but an opportunity for the employment of a great number of men has been lost.

Hon. A. Thomson: That is one of the tragic effects of the embargo.

The CHIEF SECRETARY: In view of the information given to the House by Mr. Holmes, another opportunity to show what the North really can produce has gone by the board. Employment would have been provided not only for men at Yampi, but also for others on the mainland, who would be engaged in the supply of requirements for the settlement. We have also lost the trade that the metropolitan areas would have gained had the development of Yampi proceeded. In addition, a deep-water port midway between Fremantle and Wyndham—

Hon. G. W. Miles: Between Derby and Wyndham.

The CHIEF SECRETARY: Yes. That has been put back many years. I do not know much about that particular part of the State. I have travelled along the coast once or twice and have been much impressed by the opinions upon it voiced by various people. I believe that had a deep-water port been made available at Yampi, our task of policing the coast line from Broome to Wyndham and even to Darwin, would have been made much easier than it is at present. Something should be done to improve the policing of those waters. We have not only the pearling industry to consider. Mr. Holmes knows more about that than I do, but I do know the severe competition with which our pearlery are faced. I know of many other things that

have been happening along that coast which could probably be prevented if we had a base such as Yampi gave every promise of becoming.

Members: Hear, hear!

The CHIEF SECRETARY: I hope members will reject Mr. Thomson's amendment, and vote for the motion that I have had the pleasure of submitting to the House.

Amendment put and negatived.

Hon. J. CORNELL: I move—

That the debate be adjourned till Tuesday fortnight.

The Chief Secretary: Why?

Hon. J. CORNELL: You say the Federal Parliament is going to deal with the matter.

Motion put and negatived.

Hon. J. Cornell: I cannot let the Chief Secretary get away with that.

Hon. H. S. W. Parker: Make it Tuesday next.

Hon. J. CORNELL: I move—

That the debate be adjourned till Tuesday next.

Motion (adjournment) put and passed.

*House adjourned at 6.10 p.m.*