

## Ayes.

Mr. Brady  
Mr. Graham  
Mr. Guthrie  
Mr. J. Hoguey  
Mr. W. Hegney  
Mr. Hoar  
Mr. Marshall  
Mr. McCulloch  
Mr. Nulsen

Mr. Panton  
Mr. Read  
Mr. Rodoreda  
Mr. Sewell  
Mr. Sleeman  
Mr. Steants  
Mr. Tonkin  
Mr. May  
(Teller.)

## Noes.

Mr. Ackland  
Mr. Brand  
Dame F. Cardell-Oliver  
Mr. Cornell  
Mr. Doney  
Mr. Griffith  
Mr. Hearman  
Mr. Hill  
Mr. Hutchinson  
Mr. Manning

Mr. Nalder  
Mr. Oldfield  
Mr. Owen  
Mr. Thorn  
Mr. Totterdell  
Mr. Watts  
Mr. Wild  
Mr. Yates  
Mr. Boveil  
(Teller.)

## Pairs.

Ayes. Noes.  
Mr. Hawke  
Mr. Kelly  
Mr. Needham  
Mr. Coverley  
Mr. Oliver  
Mr. Lawrence

Mr. McLarty  
Mr. Abbott  
Mr. Grayden  
Mr. Perkins  
Mr. Nimmo  
Mr. Mann

Amendment thus negatived.

On motion by Hon. E. Nulsen, debate adjourned.

House adjourned at 10.49 p.m.

## Legislative Council

Wednesday, 15th August, 1951.

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

### QUESTIONS.

#### HOUSING.

As to Spec-building Scheme Safeguards.

Hon. G. FRASER asked the Minister for Transport:

(1) Further to my questions of the 7th August, re spec-building, and the Minister's answers thereto, will the Minister

agree to insert a clause in permits that the properties must be sold only to purchasers approved by the Housing Commission?

(2) Have there been any instances—if so, how many—of materials being refused to builders because of excessive charges for properties built under this scheme?

The MINISTER replied:

(1) No permits are required for building of dwellings up to 15 squares, provided such dwellings are required for permanent occupation; but before releases for controlled materials are given for the building of ready-made homes, a builder is required to give an undertaking that he will inform the commission of the name of the purchaser and the price received. If, after investigation, the price is considered excessive, the commission withholds the release of controlled materials for further building under this scheme.

As a further precaution against the building and selling of homes at excessive prices, the Commission requires from persons, other than approved builders under the ready-made house scheme, a certificate that the applicant for releases has not received a permit and/or releases for the erection of a dwelling within the past two years.

(2) Yes. Three instances.

#### ROADS.

As to Great Eastern-highway.

Hon. G. BENNETTS asked the Minister for Transport:

(1) Is the Minister aware of the damage being caused to the main road between Norseman and Coolgardie owing to the heavy vehicular traffic to and from the Eastern States?

(2) Will the department give consideration to having this road reconstructed to take this heavy traffic?

(3) Will the Minister inform this House when the department intends to do any more bituminising on this section?

The MINISTER replied:

(1) Maintenance of this road has been provided for. Traffic to and from the Eastern States averages less than 10 vehicles a day and the construction is adequate to carry this. Overloading is being policed.

(2) The road is being constantly improved on the stage construction principle.

(3) Consideration will be given to extending the surfacing when the road from Perth to Coolgardie has been completed.

## NATIVE AFFAIRS.

*As to Moore River Settlement Control.*

Hon. R. M. FORREST asked the Minister for Transport:

Is it a fact that the Government has recently relinquished control of the Moore River native settlement; and, if so, to whom, and under what terms and conditions?

The MINISTER replied:

Yes, to the Methodist Overseas Mission. All the buildings, etc. remain the property of the Crown, but are available to the mission for evangelical, educational and welfare purposes. The former settlement is being maintained as a mission, functioning substantially as before, but with the emphasis now more on child welfare, education, and training. The occupancy of the reserve and settlement may be terminated by either party giving six months' written notice to the other.

## RAILWAY COMMISSION.

*As to Members' Attendance at Deputations.*

Hon. E. M. DAVIES asked the Minister for Transport:

(1) Has he received a letter addressed to him from the Town Clerk, Fremantle, dated the 20th April last, relative to myself as a delegate from the Fremantle City Council being excluded from a conference between the Fremantle City Council and the Railway Commission on the ground that my presence as a member of the State Legislature contravened Section 89 of the Railway Act?

(2) If so, will he inform the House whether he agrees, or does not agree, with the Railway Commission's interpretation?

(3) If he has not received the letter, will he endeavour to obtain a copy of the communication?

(4) Will he ascertain, and explain why, at a subsequent conference dealing with the same question, Hon. Sir Frank Gibson, M.L.C., and myself being present, no objection was raised on the ground that we were members of the State Legislature?

The MINISTER replied:

(1) Yes, and consideration is being given to amending the section as requested in the letter.

(2) Yes, as Section 89 now reads.

(3) Answered by No. (1).

(4) The conference was held at Fremantle and the Commission attended at the invitation of the council. The provisions of Section 89 did not therefore apply.

## WATER SUPPLIES.

*As to Goldfields Scheme Main.*

Hon. N. E. BAXTER asked the Minister for Transport:

(1) Why were only three of the four miles of 24in. main on the Goldfields water scheme east of Northam, replaced by 38in. piping, when it was intended to complete the full four miles?

(2) If the answer is shortage of steel plate—

(a) why was steel plate not diverted from elsewhere to complete the four miles and gain the desired advantage of doing away with a bottleneck which even now still exists;

(b) when is it anticipated the other mile of 24in. main will be replaced with 30in. piping, or over?

The MINISTER replied:

(1) Non-arrival of steel plate from overseas has delayed progress.

(2) (a) No other plate of requisite thickness available; (b) it is anticipated that the whole work will be completed by January, 1952.

## MYXOMATOSIS.

*As to Release of Virus.*

Hon. L. A. LOGAN (without notice) asked the Minister for Agriculture:

In view of the seasonal conditions being favourable to the breeding of mosquitoes and sandflies in the northern area, in which they are very prevalent at present, will he have the virus myxomatosis released immediately, rather than later on, so as to make the best use of the prevailing conditions to eradicate the pests?

The MINISTER replied:

This matter has been given consideration, and the Chairman of the Agriculture Protection Board, who is the Chief Vermin Officer, is awaiting the return of one of his inspectors from the northern areas on Friday to confer with him on the subject. I can assure the hon. member that, so far as we know, the virus will be released within two weeks, if the report is favourable.

## NORTH-WEST.

*As to Development Committee's Recommendations.*

Hon. H. C. STRICKLAND asked the Minister for Transport:

(1) To what extent did the Commonwealth Government agree to the North-West Development Committee's recommendations—

(a) that the Commonwealth Government subsidise fencing material to the extent of 50 per cent. value landed at Derby or Wyndham; and

(b) that the Commonwealth Government subsidise the cost at port of all house-building materials on a 50-50 basis?

(2) To what extent is the State Government subsidising the materials as mentioned in questions (a) and (b)?

The MINISTER FOR THE NORTH-WEST replied:

(1) The Commonwealth Government is not providing any subsidies for fencing or housing materials in the North-West.

(2) The State Government is not providing any direct subsidies for fencing or housing materials in the North-West.

### MINISTERIAL STATEMENT.

#### *As to Questions to Ministers.*

The MINISTER FOR AGRICULTURE: I would point out to members, with your permission, Mr. President, that it would be more convenient if they ensured that their questions were directed to the right Minister. The question that I have just answered is obviously one that should have been directed to the Minister for the North-West. If questions go to the wrong office, it takes some time to get the required information and wastes considerable time in the morning.

Hon. G. FRASER: With your permission, Mr. President, I would like to ask the Minister for Agriculture for some further explanation. Members in this Chamber address their questions to the Ministers here and in the light of what the Minister has said, we are now foggy as to what is to occur in the future.

The MINISTER FOR AGRICULTURE: Since the present Government has been in office, it has been the practice of members to direct questions to the Ministers concerned; but recently some questions which directly affected me and the Departments of Agriculture and the North-West have been directed to the Minister for Transport. They have appeared on the notice paper and even in "The West Australian" in the wrong way. I am concerned with the delay that is caused by this practice. Surely it is easy for members to know which Minister is concerned in a particular question. That is the only explanation I can give.

Hon. H. C. STRICKLAND: As it was my question to which the Minister referred, Mr. President, I wish to explain that I feel certain that on the original note which I handed to the typist the question was addressed to the Minister for the North-West. I will ascertain whether that was in fact so.

### ADDRESS-IN-REPLY.

#### *Fourth Day.*

Debate resumed from the previous day.

HON. H. K. WATSON (Metropolitan) [4.44]: In supporting the motion for the adoption of the Address-in-reply I wish, at the outset, to congratulate you, Mr. President, on the honour which His Majesty has been pleased to confer upon you. I trust you will be spared for many years to enjoy that distinction and that Lady Seddon will continue to share it with you. To our two new members, Mr. Henning and Mr. Murray, I desire to extend a welcome to this Chamber. Although Mr. Henning is new to parliamentary life, Mr. Murray is not without parliamentary experience. It is hardly necessary for me to remind them that the one aim and object of members of this Chamber is to forward the honour and interests of Western Australia and its people, though we do not necessarily travel along the same road towards that end. Some take the high road and some take the low road, but the end in view is the main thing. I have no doubt that our two new members will play their part and make their contribution towards the deliberations of this Chamber. I desire to congratulate Mr. Sparks and Mr. Roberts; the former on his appointment to the position of Clerk of Parliaments, and the latter on his appointment as Usher of the Black Rod.

The Speech delivered by His Excellency reveals a creditable record of achievement during the past year. The Government is to be congratulated on its achievements and the measures it has taken in so many directions during the last 12 months. The Speech covers an extremely wide variety of subjects—everything, in fact, from whales to crayfish tails. One subject to which His Excellency referred was the visit of the Premier to London. It was an excellent idea to send our Premier to London and I trust it will not be many years before the Premier of the State again visits that centre. I believe it is all to the interests of the State and to the advantage of the holder of the office of Premier that whoever is in that position should maintain contact with the heart of the Empire.

From reports received from a friend of mine while the Premier was visiting London, I found it cheering to note that, although while he was there many other distinguished visitors were present in that city, on all occasions when our Premier was tendered functions they were tendered by the most responsible and representative people, both political, financial and commercial, in the City of London. I notice, also, that since the Premier has returned to this State he has had an extra twinkle in his eye—a twinkle that he certainly did not have before his departure. I have not yet been able to make up my mind whether it was due to the health-giving properties of his trip or to the fact that he is not now so greatly concerned as to how the Independent member in the Legislative Assembly votes.

The Minister for Agriculture: I hope he still has it when he returns from Canberra.

Hon. L. Craig: Perhaps he went to Paris.

Hon. H. K. WATSON: His Excellency's Speech referred also to the great questions of water and power. We are told that the work of raising the Mundaring Weir has been completed and that the first unit of the "A" station of the new Fremantle power house is now in operation. I think members who were fortunate enough to be present at the official opening of the new power station will agree that it is a wonderful piece of work and one which will be of great advantage to the metropolitan area in the years to come. I understand that the second unit of the "A" station is now being completed and that the "B" station which will virtually duplicate the first, is well under way. This reflects considerable credit on the Government, the Electricity Commission and the employees concerned. I refer not only to the employees engaged on the construction of the new power station but also those at the East Perth power house who, under very trying conditions, have for the past couple of years managed to keep the machinery going and supply the community with electricity with a minimum of interruption and discomfort. We have been informed that the South-West power scheme is well under way and I think that will be of considerable interest to this State as it will be a means of further decentralising industry.

If ever there was a need to decentralise it exists today. We certainly want to see larger country towns and I hope that the charges of the South-West power scheme or any country power scheme will be such as to enable industry to be carried on profitably in country towns. Also, in this atomic age, one of the surest safeguards in protecting and preserving a country is to have the population scattered. If there is one thing with which Australia is cursed, it is the problem of having in each State half the population of that State on the seaboard and within an extremely small area. As we have now caught up with water supply and power requirements of the country I hope that we will keep up with them, and that we will not again have a repetition of passing through the precarious period through which we have passed in recent years.

We have been told that during the year just ended there was a record coal production of 815,000 tons. When I obtain the Eastern States newspapers each week, I invariably read of the blackouts which occur not only daily but also for substantial periods during the day, and which are to remain during the serious coal shortage in that part of Australia. Western Australia has a lot to be thankful for in that our coal production has been satisfactorily maintained. For this, I consider that, as Mr. Henning said in moving the Address-in-reply, credit is due to the miners at Collie. The record production

on the Collie coalfield is also due to some degree, I think, to the Minister for Mines. I am reminded that he has just recently completed a year of office in that portfolio and also as Minister for Railways and Transport; and I may fairly say that, by common consent, both inside and outside of Parliament, he has done an extremely good job in administering those three departments during the past 12 months.

The Speech makes mention of representations by the Government of Western Australia to the Prime Minister for the granting of tax freedom in the North-West as a means of populating and developing that area. I understand that a member of the Government, accompanied by various other gentlemen, including Mr. Forrest, visited Canberra and placed those representations before the Commonwealth Government. It seems to me that that is one sure method of encouraging private enterprise to the North-West and granting its residents some reasonable reward for their services in developing that particular and important part of this State. During the course of this debate, I look forward to hearing Mr. Forrest on the result of their visit to Canberra and as to the prospect of their representations being granted.

In His Excellency's speech we are also told that the State Government is co-operating with the Commonwealth Government in suitably celebrating the jubilee of Federation. In passing, I would like to mention that it was in 1890 that the State of Western Australia was granted responsible Government; and it has just occurred to me that the State Government, although co-operating with the Commonwealth Government in suitably celebrating the silver jubilee of Federation, has apparently allowed the diamond jubilee of the granting of responsible government to Western Australia to slip by unnoticed. We have had a Federal Parliament for 50 years, but I am reminded that this Legislative Council has existed for 119 years.

The progress of Australia during the last 50 years is a matter for thanksgiving; but from the constitutional angle I cannot help feeling, looking back on those 50 years that have passed, that the position can still be summed up in an expression which was used by the late Sir James Mitchell when he was Premier. It is this: "Everything they said would happen has not happened and everything they said would not happen has happened." I would have been pleased, having regard to the policy speech and election promises of Mr. Menzies and Sir Arthur Fadden, to find that in this jubilee year they would have celebrated the jubilee by holding a jubilee convention and making a serious effort to give a comprehensive review of the Commonwealth Constitution and to correct the weaknesses, inequalities and

other faults which have been disclosed during the 50 years' working of the Constitution.

However, I regret to see that there is as yet no evidence of such a convention being held. On the other hand, we find the Prime Minister bringing down the Defence Preparations Act virtually on the same day as the expiry of the National Security Regulations legislation which was introduced with the commencement of the war in 1939. We keep wartime regulations going from 1939 to 1950 and then in 1950 we abolish those regulations, only to find that a new set is being introduced ostensibly for the next war. Under the proposed defence preparations Act, the Commonwealth Government will take unto itself powers—

Hon. A. L. Loton: Unlimited powers.

Hon. H. K. WATSON: Yes, unlimited powers which, in my opinion, will stultify the operations of State Parliaments. Then, too, we find that we are to have a constitutional referendum on the power over communists and communism. That again, although it will be a move to assume power over communists and communism, will take away power from the States, to an extent that is unpredictable. I have yet to be convinced that these powers cannot be satisfactorily exercised by the State. In Canada, it was a State Parliament that brought in the first law relating to communists and communism. That was the State of Quebec, which took power to ban communist organisations and close communist buildings.

Hon. Sir Charles Latham: There is no constitutional bar in this State to prevent action being taken.

Hon. H. K. WATSON: We have full constitutional power to prevent the activities of communists.

Hon. Sir Charles Latham: That is so.

Hon. N. E. Baxter: Then why not use it?

Hon. H. K. WATSON: Because we have not so far passed any legislation.

Hon. A. L. Loton: It could be used by the Commonwealth Government.

Hon. H. K. WATSON: But it would not necessarily be used only by the Government at present in office in the Commonwealth. That power would be there to be exercised by any future Government. At the referendum, every member will have to vote according to his conscience; but I cannot help feeling that the question whether the Commonwealth should be given this power or whether it should remain with the States where it belongs, is not one that should have been considered as part and parcel of a complete overhaul of the Commonwealth Constitution, in which all the relations between

the Commonwealth and the States, including the very important financial relations, could have been thrashed out by a convention convened for the purpose.

During the last few weeks we have heard quite a lot about inflation. Inflation is a world-wide affliction and, as I view the position, it had its genesis in World War II and is now being aggravated by the wars in Korea, Malaya and Indo-China, while there is also great uncertainty in Egypt, Persia and India. I do not know whether Russia permits of marriages by proxy, but that country has certainly developed the idea of fighting wars by proxy. It is the position created by Russia that is one of the principal causes of inflation, not merely the inflation being experienced in Australia but also the inflation that is world-wide in its operation.

Some of the insidious results of inflation are briefly these: It reduces the living standard of most of us and particularly of those people on fixed incomes; it seriously diminishes the value of insurance and investment in Government bonds, etc., and it increases to a bewildering extent the cost of government and the cost of Government services. I do not know how the Minister for Railways feels about it, but I can imagine that no sooner has he looked over his ratebook and prospective revenue, hoping to get within reasonable distance of balancing the railway accounts, than he finds, what with wage increases and the increases in the prices of goods and commodities, that his efforts have been falsified to an extraordinary extent.

During the period of the greatest of all inflations—that occurred in Germany in 1920—it was stated that industry was "selling itself poor," and that is what is happening in Australia to a fair extent today. Industry in manufacturing and commerce is selling itself poor. I explain it in this way: Suppose a trader has £100,000 worth of goods and sells them for £120,000. He pays his expenses and income tax and may then have £105,000 left over. In order to replace that large quantity of stock, he has to find £150,000.

Hon. H. Hearn: Perhaps nearer £200,000.

Hon. H. K. WATSON: Quite so. Although on paper he appears to have had record sales and a most prosperous year, he finds that he has to go to his bank for accommodation in order to keep himself afloat and in business, or do, as many companies and individuals have been doing, namely, go on the market to get more capital. It is an extraordinary position, but it is unquestionably a fact that they are virtually selling themselves poor.

The Prime Minister has listed 17 reasons to account for inflation. Some of them are major reasons and some are

contributing reasons. In my opinion, the greatest single factor since World War II is the present international rearmament and stockpiling programme resulting from the fear of global war with Russia. There is a scarcity of all sorts of goods today, not because the goods do not exist, but because they are being diverted from normal use and are being used for preparation and stockpiling for war.

In connection with the problem of inflation, we often hear the cry, "Peg prices." This is the parrot cry of the communists and of politicians who are either duped by plausible and specious propaganda, or else deliberately and unscrupulously adopt the cry as being good political birdlime. To attack prices is to attack the symptoms and not the cause of the trouble; there is no question about that.

Hon. E. H. Gray: What is the cause?

Hon. H. K. WATSON: I endeavoured to explain a minute ago that the chief cause of trouble is preparation for war. There are supplementary causes, but the main cause is the rearmament and stockpiling programme for war.

Hon. R. J. Boylen: Who are doing the stockpiling?

Hon. H. K. WATSON: All the Governments in the world, including the Commonwealth Government and the American and British Governments. I was remarking that when people advocate the pegging of prices, they are attacking the symptoms and not the cause of the trouble. When a man is suffering from a complaint that causes retching, the doctor does not block his mouth to stop retching but looks for the real cause of the trouble. If any member has been seasick, he will appreciate what I mean. We have a fairly good illustration of the effect of pegging prices. The price of firewood, if it has not actually been pegged, has certainly been rigidly controlled, and with what result? The price has been controlled until firewood has been controlled out of existence and control has forced the firewood business out of existence.

Hon. A. L. Loton: The same is happening with regard to bricks.

Hon. H. K. WATSON: Of that we have an illustration in this morning's newspaper. A brick company has announced that it is closing down on Friday because the fixed price at which it has to sell its bricks will not allow of a profit being made. According to the announcement, the cost of producing the bricks is £10 10s. per thousand and the permitted selling price is £9 1s. 6d. That factory, I understand, is producing 20,000 bricks a day, or sufficient to build one house a day. Yet it is going out of business. At the moment, the price of butter is pegged and we can see what is happening there.

The Minister for Agriculture: What is happening? There is plenty of butter in Western Australia.

Hon. H. K. WATSON: Yes, but are the producers satisfied with the price they are receiving?

The Minister for Agriculture: No, they are not.

Hon. Sir Charles Latham: Will there be sufficient butter in the State at the end of the summer?

Hon. H. K. WATSON: The Premier of New South Wales, Mr. McGirr, has decided to peg prices; and if we want a practical demonstration of the effect of such action, we should have to wait only two or three weeks and see what happens in that State.

Hon. G. Bennetts: Would it not be all right under Commonwealth control?

Hon. H. K. WATSON: It matters not whether it is under State or Commonwealth control; it is something that is simply incapable of complete control. What control could the State Parliament or the Commonwealth Parliament, the State Prices Commissioner or the Commonwealth Prices Commissioner exercise over sea prices? None at all. Let us consider for a moment how prices have risen during the past 12 months. No doubt overseas prices have a very serious effect on the economy of Australia in the direct importing of complete goods or in the cost of goods for completing articles for use in the factories of Western Australia in 101 directions. Take angle iron. Less than 12 months ago it was selling for £30 per ton whereas the price now is £62. Over the air last night I heard a statement that steel in Britain had risen by a further 20 per cent. How could the price be fixed for that?

Hon. R. M. Forrest: Three-inch piping is 14s. per foot.

Hon. H. K. WATSON: One-inch black water piping, which less than 12 months ago was selling at 96s. 6d. per 100 feet, is now 185s. Thus it goes on and on. Last December the price of imported galvanised iron was in the vicinity of £60 or £70. It went up to £100 towards the end of December. A few months ago it was £150, and I understand that today the price is £200; yet members talk of pegging prices. I can give further illustrations. Calico, for bag making, was 1s. a yard and now it is 2s. 7d. Kapok was 36d. per lb., and now it is 53d. I get impatient when I hear people saying, "Peg prices and everything will be right." They are only fooling themselves and the general public.

Hon. R. J. Boylen: What would you like them to do? Peg wages?

Hon. H. K. WATSON: I did not suggest that; but we could not peg prices if we did not peg wages. Even then, by these

two methods we would not solve the problem of inflation, although we might perhaps minimise its effect. The basic cause of it, in my judgment, is the wartime preparation and stockpiling. In Australia we have aggravated the position by heavy immigration. I am not criticising these matters, but merely endeavouring to state them as facts.

Hon. R. J. Boylen: You are only surmising that they are stockpiling.

Hon. H. Hearn: That is a fact.

Hon. R. J. Boylen: No, you are only surmising it.

Hon. H. K. WATSON: It is an established fact. Look at the rubber that the Commonwealth Government is stockpiling. The figures were published the other day. When America came into the wool market, the price went from £100 a bale to £300 a bale. That was because of stockpiling. In Australia, the problem of inflation is further aggravated by heavy immigration, the 40-hour week, and the £1 basic wage rise in December last and the consequential rises. Today we are not far off the £10 a week basic wage.

Hon. H. Hearn: Which originally was a communist slogan.

Hon. H. K. WATSON: Yes, which the communists plugged for a few years ago for the purpose of disorganising our economy. Other contributing factors are the so-called full employment policy, which is really an over-full employment policy, and the excessive Government works which are being carried on throughout Australia. I cannot see, for example, the need for the Snowy River project at this particular time. In my opinion it is an ideal scheme for a depression, but not one to be plastered on to all the activities of immigration as well as individual and ordinary Government activities which have been dammed up, because of the war, for 10 years. I think the Snowy River scheme, and similar ones, could be deferred until we got our breath after the five or six years of war.

Hon. N. E. Baxter: It is part of the war preparations.

Hon. H. K. WATSON: I am of the opinion that there are more important war preparations than the Snowy River scheme. Members ask how inflation can be stopped. While stockpiling and war preparations continue, I feel that we can no more stop inflation than we can stop a flood. I suggest it could be minimised if ventures like the Snowy River scheme were not proceeded with, and if immigration were eased off. I said nine months ago that, in my opinion, this country could not expect to keep its housing policy up to date, and its general production sufficient to satisfy the community if the immigration policy was to continue at the rate at which it was then proceeding.

It is commonsense that we can work to over-capacity for a certain time, but then we have to pause for breath. The House could have an all-night sitting once or twice, but I would not appreciate an allnight sitting each night for five nights of the week. Yet that is what the nation is trying to do with respect to immigration. We are bringing in migrants in their hundreds of thousands, and we have been doing it all the time. We have done it for several years, but we have not yet paused to bring things up to date. If we had a break for six or 12 months, or even two years, and sorted things out and then resumed, we would know where we stood.

I notice there is to be some diminution in the expected number of migrants in the coming 12 months. I think the figures show a proposed reduction from 200,000 to 150,000. Personally, I think the reduction could be greater than that. One thing we have to bear in mind is this: that as sure as night follows day, a slump comes after a boom, and we are certainly in a boom period now. We must not overlook the fact that one of these days we may have to see the bursting of the present boom by a serious depression. We should make preparations to that end, and that is why I suggest that would be the time for public works, such as the Snowy River project, and many others which are in prospect, to be carried out. The boom must burst sooner or later.

Hon. G. Fraser: Then they could not get the money to do it.

Hon. H. K. WATSON: That is the time when we could with advantage give credit a bit of a twist. At the moment, Governments are inflating credit by working on it, and in so doing they are watering the currency to no good purpose. Our savings and other assets are being diminished before our eyes. The time for an expansion of credit and the note issue to be given a bit of a push along is when unemployment develops.

Hon. R. J. Boylen: But not now.

Hon. H. K. WATSON: I now wish to say a few words on the question of the legislation relating to landlords and tenants. At common law, which has been in force since the time of the Saxons, every person who occupied land by virtue of any lease thereof granted to him by the owner of such land was obliged peacefully to render up to his landlord possession of the land occupied by him on the expiration of the term granted by such landlord. That same principle, of course, applies with respect to all hirings of goods and chattels. It is in constant application today, so far as I know, with respect to everything except a house or premises.

In 1939, there was placed on the statute book of Western Australia a purely wartime measure known as the Increase of Rents (War Restrictions) Act. Its effect

was threefold. Firstly, it applied rent control as an arbitrary device by means of which rich, poor and middleclass property owners were forced to hand over a substantial part of their incomes to rich, poor and middleclass tenants; secondly, it deprived the property owner of the choice of his tenant, and of his right, at common law; and thirdly, it deprived many home owners of the right to reside in their own home. In my view the complete abandonment of the Act is long overdue; but be that as it may, the Act is still in existence.

Last year, however, Parliament did decide that a person who wanted to get into his own home or business premises should have the right to do so. Parliament amended the Act accordingly. Up to that time, the discretion as to whether a person who wanted to get into his home should be allowed to, rested with the magistrate. Last year, however, we said that a person who wanted to get into his own home or business premises should be allowed to do so, and no discretion would rest with anybody. Parliament said that such a man should have the right to the possession of his own home, subject to the conditions which were set forth in the legislation.

Hon. L. Craig: Parliament meant that, too.

Hon. H. K. WATSON: Yes. I think Parliament made its intention perfectly clear. In our debates, and by our votes, we showed what we intended. I believe, too, that the draftsman made the position perfectly clear. I note that in a recent case—one heard last month—the Chief Justice, and indeed the Full Court of Western Australia, held that the Act made our intention perfectly clear. Notwithstanding this, certain members of the legal profession have made consistent efforts to get around the amendments passed by us last year. In the court the other day, one lawyer brought along the bright idea that because a landlord received the rent after giving the requisite three months' notice, the notice was invalid.

Another one went to the court and took the point that although the landlord, the owner of the house, wanted the property for his married daughter and had made the necessary statutory declaration to that effect, he, the landlord, had not produced the marriage certificate of his daughter, and the magistrate upheld the point and dismissed the case. I think the best case of all was the one where a tenant went to court and queried Section 15A, which provides that where a lessor has been or becomes the owner of premises, has resided in the Commonwealth for not less than two years and requires the premises for his own occupation or for the occupation of his married son or married daughter, he may get his property back. A question was raised by some Philadelphia lawyer as to what was meant by the word "requires." It is fortunate that the

word "meaning" was not in the Act, or he would have appealed to the court on the meaning of "meaning." He said, "Does he really require it? Does he need it?"

Hon. L. Craig: What is the meaning of "really?"

Hon. H. K. WATSON: Does he reasonably require it? The words "really" and "reasonably" were deliberately left out by the draftsman to prevent argument. The Act simply says that if a man requires his premises he shall have them. The Chief Justice made it very clear, in a case which members will recall went before the Supreme Court, that Parliament meant what it said. The Chief Justice did not even bother, after hearing the case in support of what was meant by the word "requires" to call upon the counsel for the respondent to answer. But in connection with that case, there was one point which struck me as rather remarkable. It was a case where the Government agreed to finance the cost of the appeal, although it was a hopeless appeal from the word "go." That fact was demonstrated because counsel was apparently not prepared to take the case to court unless someone guaranteed his expenses; the Government did that.

Hon. Sir Charles Latham: To interpret its own Act.

Hon. H. K. WATSON: That seems to me to be the nearest approach to misappropriation of public funds that I have seen for some considerable time.

Hon. J. M. A. Cunningham: To justify the claim that there were tremendous anomalies in the Act.

Hon. H. K. WATSON: Coincident with these efforts, certain persons commenced a hullabaloo and propaganda stunt calculated to stampede the Government and Parliament into revoking the amendment which it made last year. In May last, these people wanted a special session of Parliament to be held in June because, according to them, something like the end of the world would come when the particular section became effective on the 30th June. That stunt having failed, and their forecast having been falsified, they now fix on the 30th September as the date of the pending catastrophe and they want something done before then.

Hon. H. Hearn: Armageddon!

Hon. H. K. WATSON: These pressure group tactics have been going on for three months; and to me it is a matter for much regret that to a certain extent, either willingly or unwillingly, they have been accompanied by an obligato by no less a person than the stipendiary magistrate who has dealt with most of these cases. For example, in the "Daily News" of the 11th July, 1951, the magistrate is reported to have said—

I feel very sorry to have to sit here to administer this particular section.



In that report there also appears this statement—

To one tenant who pleaded he was unable to build a pre-fab. on his block in the Melville Road Board area because of road board requirements, Mr. McMillan said, "It might be worth while risking the wrath of the road board and going ahead anyway."

In the "Daily News" of the 17th July, 1951, he is reported as having said that some of the sections of the Act are nonsensical. He is also reported as having said, "I am just a rubber stamp here."

Hon. L. A. Logan: They have many bright ideas.

Hon. H. K. WATSON: Although he said he was just a rubber stamp, the fact remains that out of 97 applications which he considered, he allowed 72 and dismissed 25. Then in the "Daily News" of the 7th August, 1951, the magistrate is reported as having said, "I have to try to read some sense into this Act." That was in response to the suggestion that, inasmuch as the person had collected rent after giving notice, he was not entitled to the eviction order. They are some of the recorded remarks of the magistrate, and I have not seen those reports denied by him.

It also appears customary for the magistrate to express his sympathy with the tenants. Even those two famous quiz-masters Jack Davey and Bob Dyer not only sympathise with the losers, but also congratulate the winners; they are quite impartial in their remarks to the contestants. But the traditional function of the court, and the duty of the court, is too well known to require elaboration; for, as Lord Thankerton said in the House of Lords, in the case of the London North-Eastern Railway Coy. v. B. A. Collieries Ltd., 1945 A.C. 143 at page 166—

It is not for the Court to consider whether any individual provision of the Act does justice to the one party or the other. The duty of the Court is to construe the language used.

To read some of the remarks which have been uttered, one would think that this is the first time an Act of Parliament has presented some nice legal questions which involve judicial interpretation. One Act comes to my mind—the Income Tax Act. That has been in existence since 1915, and one would think that by now everybody would know all about it. But each year there are dozens of cases being heard as to the meaning of a particular word or particular section. If we pick up any law report, we find that cases on this landlord and tenant legislation are constantly before courts throughout Australia and England. For instance, one need go no further than the "Australian Law Journal" to illustrate this point. I want to

refer members to a few cases taken at random from the July issue of this journal—the latest to hand. The first one reads—

Landlord and tenant—premises about to become unoccupied.

This is a report of a case of the Standard Investments Pty. Ltd. v. Cleary, under the New South Wales Act. Then we have another one which reads as follows:—

Landlord and tenant—protected person—premises about to become unoccupied.

That is a case of Le-Marshall v. Zervas under the Victorian Act. We go on a little further and we find another case which reads—

Landlord and tenant—deceased tenants.

This case discusses the various problems which arise in the case of deceased tenants and it finishes up, after discussing half a dozen cases, on the following point—

The case of Roos v. Pilgrim suggests that the Supreme Court is coming to recognise the unfortunate consequences of Krupa's case.

That suggests that the court itself reviews its decisions from time to time. Then there is another case which reads—

Landlord and tenant—recovery of possession—reasonably required—hardship.

That case was heard under the Queensland Act. The next case is headed—

Landlord and tenants—lease—assignment—unreasonable withholding of consent.

That case was one which came under the English Act. The same book also contains a decision by the Full Court of the High Court of Australia. This case was an appeal to the Full Court. Firstly, the magistrate's decision was reversed by the Supreme Court of New South Wales and the High Court, in its turn, varied the judgment of the Supreme Court. It is a most interesting case—Thompson v. Easterbrook—dealing with landlord and tenant legislation. The case concerns a shop and dwelling, notice to quit and whether the premises involved should be deemed a dwellinghouse or business premises. The Full court, after a couple of pages of learned and lengthy explanation, arrived at this conclusion—

The only conclusion open to the magistrate was that the premises were leased to the respondent for the twofold purpose of business and residence. Each was obviously an end in itself; neither was merely accessory to the other. The premises were as surely leased for the purposes of residence as for the purposes of business.

If the conclusion be that residence was either the sole purpose or one of several purposes which the parties should be held to have contemplated, the premises must be held to be "leased for the purposes of residence."

It so happens that, in today's issue of "The West Australian," we find that the magistrate had a similar case before him yesterday; and the report of that case, as it appeared in the paper today, reads as follows—

An application for possession of a shop with a dwelling attached was dismissed by Mr. J. F. McMillan, S.M., in the Perth Local Court yesterday because there was no clarification of whether such premises were a business or a residence in the amended Increase of Rent (War Restrictions) Act. Mr. McMillan said that this was "not the only thing that was not clear in the Act" and that because he had held in the past that such premises were for business, he had no alternative but to dismiss the case.

The stipendiary magistrate took the stand that the section was not clear and in his opinion the premises were held as a business; although, as I pointed out, the High Court appeared to make it very clear that the premises were held as a dwelling and that the magistrate's judgment should have gone the other way. However, that is only by the way.

I feel that someone should give the stipendiary magistrate a friendly tip to drop his querulous attitude. Regarding the reported remarks of the stipendiary magistrate, and regarding remarks of a like tenor, which were made by a learned judge of the Supreme Court—which with great respect I submit were rather gratuitous—I want to say that in the case of Seaford Court Estates Ltd. v. Asher, heard in the King's Bench Division in 1949, which was a case dealing with the Landlord and Tenants restrictions contained in the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, of Great Britain, Lord Justice Denning said this in his judgment—

The question for decision in this case is whether we are at liberty to extend the ordinary meaning of "burden" so as to include a contingent burden of the kind I have described. Now this court has already held that this subsection is to be liberally construed so as to give effect to the governing principles embodied in the legislation (Winchester Court Ltd. v. Miller); and I think we should do the same. Whenever a statute comes up for consideration it must be remembered that it is not within human powers to foresee the manifold sets of facts which may arise and, even

if it were, it is not possible to provide for them in terms free from all ambiguity. The English language is not an instrument of mathematical precision. Our literature would be much the poorer if it were. This is where the draftsmen of Acts of Parliament have often been unfairly criticised. A judge believing himself to be fettered by the supposed rule that he must look to the language and nothing else, laments that the draftsmen have not provided for this or that, or have been guilty of some other ambiguity. It would certainly save the judges trouble if Acts of Parliament were drafted with divine prescience and perfect clarity. In the absence of it, when a defect appears a judge cannot simply fold his hands and blame the draftsman. He must set to work on the constructive task of finding the intention of Parliament, and he must do this not only from the language of the statute, but also from a consideration of the social conditions which gave rise to it, and of the mischief which it was passed to remedy, and then he must supplement the written word so as to give "force and life" to the intention of the legislature. That was clearly laid down by the resolution of the judges in Heydon's case, and it is the safest guide today. Good practical advice on the subject was given about the same time by Plowden in his second volume *Eyston v. Studd*. Put into homely metaphor it is this: A judge should ask himself the question: If the makers of this Act had themselves come across this ruck in the texture of it, how would they have straightened it out? He must then do as they would have done. A judge must not alter the material of which it is woven, but he can and should iron out the creases.

I regret having taken up the time of the House on this point, but it appears to me to involve fundamental aspects of our Constitution—the supremacy of Parliament as law-maker on the one hand and, on the other, the high and responsible position of the courts in administering and interpreting the laws. While I am on this question, it may not be out of place for me to review the results of that particular section as they have thus far proceeded. So far 97 eviction cases have been heard; and in respect of those, 72 orders have been made and 25 have been dismissed. I understand that during the hearing of those cases the Housing Commission has had an officer present to furnish more or less a day to day report of the proceedings; and if I understand the position correctly, the vast majority of applicants who have been given repossession of their own homes are pensioners and persons of very small means, namely, railwaymen, ex-railway employees and so on.

I understand that the Housing Commission is aware that approximately 429 persons have been given notice to quit, and this would, of course, include the vast majority of those whose notice to quit does not expire until September next. The Housing Commission is making arrangements to provide accommodation for such of those persons who are being evicted as are not able to make arrangements for themselves. I understand 150 cottages have been erected by the Housing Commission.

Hon. G. Fraser: Are being erected.

Hon. H. K. WATSON: There are 150 of them to be erected. Of these, 55 have been completed, but so far only 17 have been occupied.

Hon. G. Bennetts: What size are they?

Hon. H. K. WATSON: They are three-roomed cottages, with a lavatory, septic tank and shower recesses. As I have said, 55 cottages have been completed and only 17 of them have been occupied. After all, therefore, it seems clear that, in the main, tenants are able to make some satisfactory arrangements for accommodation which possibly appeals to them more than the three-roomed cottages with lavatory, septic tank and shower recess offered by the Housing Commission.

Hon. G. Bennetts: How will the pensioners get on?

Hon. H. K. WATSON: I do not know.

Hon. G. Fraser: I think it is more correct to say that 55 cottages are under construction.

Hon. H. K. WATSON: My information is that 55 cottages have been completed and that so far only 17 have been occupied.

Hon. E. H. Gray: There are hundreds waiting to get in.

The Minister for Transport: They are rented at a very cheap rental, though I cannot tell you the amount at the moment.

Hon. H. K. WATSON: If we are to consider altering the Act at all, it seems to me that the most outstanding amendment that is required is one that would permit of the owner of a dwelling being allowed to increase his rent for that dwelling by the same percentage as a businessman is already entitled to do under the Act. Under the Act, the rent of a business property can be increased by 30 per cent. of the standard rent; that is, 30 per cent. of the rent as it was in 1939. Under the same Act the houseowner was, as a result of compromise and other reasons, restricted to 20 per cent.

Although the Bill as originally brought down provided for an increase of 25 per cent., the owner of the house finished up with being entitled to increase his rent by only 20 per cent. Since then there have been substantial increases in costs; and I feel the outstanding amendment, if any is required to this Bill, is an increase of a further 10 per cent. on the standard rent for dwellings. There has been a rumour

abroad that the Government is toying with the idea of yielding to pressure groups with a view to bringing down further amendments to the Act calculated not to unwind it a bit more but to tighten it up.

I do not suggest that the Act is "drafted with divine prescience and perfect clarity," as the learned judge has said. I agree that the Act has its ambiguities and nice legal points, and I also agree that it has been a jolly good Act for the members of the legal profession, particularly some of them. I urge the Government, however, not to tinker with the Act during the present session. If it wants to solve the problems contained in the Act, there is one sure way to solve all of them and to remove every anomaly and that is to abolish the Act or to allow it to lapse. If the Government is not prepared to do that, then at least let it not tinker with the Act. I think the amendments which we made last session ought to be given a fair and reasonable trial. They are only coming into operation now and they should be given a trial for another 12 months. If at this time next year this measure is to continue on the statute book, my proposition would be that the Government should bring down a completely new Act; an Act which would replace the present one, but which would be an orderly piece of legislation with only a fraction of the provisions in it that the legislation contains today. We should not do any more tinkering this session; and if any amending Bill were brought down, my efforts would be directed to allowing the present Act to lapse forthwith.

On motion by Hon. G. Bennetts, debate adjourned.

#### ADJOURNMENT—SPECIAL.

**THE MINISTER FOR TRANSPORT**  
(Hon. C. H. Simpson—Midland): I move—

That the House at its rising adjourn till Tuesday, the 21st August.

Question put and passed.

*House adjourned at 5.58 p.m.*