

Noss.

Mr. Angelo	Mr. J. I. Munn
Mr. Barnard	Mr. McLarty
Mr. Brown	Sir James Mitchell
Mr. Davy	Mr. Parker
Mr. Doney	Mr. Patrick
Mr. Ferguson	Mr. Piessie
Mr. Griffiths	Mr. Sampson
Mr. Keenan	Mr. Scaddan
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. H. W. Munn	Mr. North

(Teller.)

Amendment thus negatived.

Progress reported.

*House adjourned at 1.9 a.m. (Thursday).***Legislative Assembly,***Thursday, 23rd July, 1931.*

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

QUESTION—WIRE NETTING SUPPLIES.

Mr. BROWN asked the Minister for Lands: When will a supply of wire netting be made available to settlers?

The MINISTER FOR LANDS replied: Tenders have closed, and are not yet finalised.

QUESTION—CANNING STOCK ROUTE.

Mr. COVERLEY asked the Minister for Works: 1, In view of a statement appearing in the "West Australian" of the 21st July, implying that Mr. A. W. Canning and party were unable to obtain a sufficient

supply of foodstuffs, especially flour, due to an alleged shortage at Hall's Creek—the statement being misleading and unjust to business people at Hall's Creek—will he make immediate inquiries into the following: Did Mr. Canning remain in Hall's Creek for one week in search of supplies, while, at Smith's store at that centre, there was for sale during that time tons of flour, sugar, etc., at a much lower cost than they were secured by Mr. Canning? 2, Is it not also a fact that Mr. Canning was informed by Smith's manager that any order for stores he might submit could and would be supplied? 3, In view of this, why did Mr. Canning forward two men to Wiluna for supplies, thereby losing the value of their labour for a lengthy period? 4, In view of the fact that Mr. Canning was in Hall's Creek for a week, should he not have attempted to secure supplies by tender?

The MINISTER FOR WORKS replied: The information is not available until Mr. Canning returns.

QUESTIONS (2)—GROUP SETTLEMENT VALUATIONS.*Peel, Bateman and Serpentine Areas.*

Hon. M. F. TROY asked the Premier: 1, Of the holdings valued by the Group Valuation Board and comprised within the Peel, Bateman and Serpentine group areas, what number are at present vacant or untenanted? 2, What number of the settlers on those areas are paying (a) annual interest, (b) part interest, (c) no interest?

The PREMIER replied: 1, No Peel Estate holdings assessed by the Valuation Board are vacant or untenanted. 2, To answer this question will involve an examination of each of the 170 accounts. It will take some time to prepare this return, and the Agricultural Bank staff is already fully occupied. Interest is not paid annually, but six-monthly.

First, Second and Third Periods.

Hon. M. F. TROY asked the Premier: 1, Of the 645 group holdings valued by the Group Valuation Board during the first, second and third valuation periods, what number of settlers are paying (a) annual interest, (b) part interest, (c) no interest? 2, What is the total interest received from

these settlers and what amount of interest is owing by them?

The PREMIER replied: To answer these questions will involve the preparation of a return by examination of the 645 accounts concerned, which will take some time. The Agricultural Bank staff is already very fully employed.

QUESTION—MCNESS HOUSING SCHEME.

Mr. SAMPSON asked the Premier: 1, How many homes have been provided under the McNess philanthropic scheme, and how many rooms are there in each? 2, What is the average cost of (a) buildings, (b) land? 3, Are any funds now available? 4, If so, or should any be available later, will consideration be given to the provision of houses of two rooms, to meet the needs of single people in distress?

The PREMIER replied: 1, Up to date 71 approvals have been given under the Housing Trust Act. The cottages contain kitchen, living room and two bedrooms; also back and front verandahs. 2, (a) £250; (b) £17 or £18 approximately. 3, Practically the whole of the money has now been allotted, but consideration is being extended to the approval of three or four additional cases. 3, Consideration is given by the trust to all applications received, irrespective of whether the applicants are married or single, and allotments are made to the cases considered most deserving. Applications for smaller types of houses would receive due consideration. In all the cases approved to date the whole of the accommodation provided in the four-roomed house has been required by the applicants.

QUESTION—TRAFFIC RISKS.

Mr. SAMPSON asked the Minister for Police: 1, Has his attention been drawn to the grave danger faced by cyclists who use the roads after dark and whose machines are not provided with either a red light or a red reflector on the rear? 2, Is this a requirement under the traffic laws? 3, If so, will he see that the regulation is enforced? 4, If not, in view of the number of accidents, including fatalities, will he forthwith provide the necessary regulation insisting upon a rear light or approved reflector on all cycles used after sunset?

The MINISTER FOR POLICE replied: 1, Yes. 2, The regulations provide that a cycle shall carry a lamp exhibiting a white light on the front and a red light on the rear, provided that the rear light shall not be insisted upon if a red reflex is affixed. 3, The regulation is enforced, and many charges are pending. 4, Inquiries are being made to see if a larger reflector can be obtained, and what regulations are in force in other States.

ASSENT TO BILL.

Message from the Administrator received and read, notifying assent to the Debt Conversion Agreement Bill.

BILL—TRUSTEES' POWERS.

Introduced by the Attorney General and read a first time.

BILL—FINANCIAL EMERGENCY.

In Committee.

Resumed from the previous day. Mr. Richardson in the Chair, the Attorney General in charge of the Bill.

Clause 7—Salaries to be reduced (partly considered)—

Hon. W. D. JOHNSON: I move an amendment—

That the following paragraph be inserted:—“(iii.) Where the rate of salary of an officer does not at the commencement of this Act exceed a rate equivalent to the basic wage in force at that time, then no reduction shall be made in such salary and the power of reduction conferred by this Act shall be subject to the limitation that no salary shall be so reduced in rate as to be brought below a rate equivalent to the basic wage as fixed at the commencement of this Act. The fact that the basic wage is not by law applicable to any particular officer shall not prevent this paragraph extending to him.”

The amendment seeks to protect workers and officers on the basic wage from further reduction under the authority of this measure. In June, 1930, the basic wage was £4 7s. a week. On the 1st July, 1930, it was reduced by 1s. a week for the metropolitan area and 2s. for other parts of the State, bringing it to £4 6s. and £4 5s. respectively. In May, 1931, it was further reduced by 8s., making the amounts £3 18s. for the metro-

politan area and £3 17s. for other parts of the State. Thus, within about 12 months, the court has twice reduced the basic wage. The basic wage has been reviewed, not only under the Act that was in operation when the last elections were held, but under special legislation since passed that enables the court to make a review more often. This has transferred some of the difficulties of the State to the workers. Boards have also reviewed the classification of officers, and Parliament can rest assured that the wage-fixing authorities have done their work and done it recently. The existing rates represent the basic needs of the workers. The expression "basic wage" means a sum sufficient to enable the average worker to whom it applies to live in reasonable comfort, having regard to any domestic obligations to which such average worker would be ordinarily subject. Only the reasonable needs of the worker are provided for; there is no surplus. The average family of a worker is regarded as consisting of the man, his wife and two children. Thousands of workers have more than two children, and many workers are not getting sufficient remuneration on which to maintain their families. Child endowment is not in operation here; therefore the man with a large family is carrying a special burden. The Minister proposes to reduce the amount by roughly 10 per cent. The basic wage has already been reduced by about 10 per cent.

The Attorney General: I think it is 9 per cent.

Hon. W. D. JOHNSON: Roughly, I think it is 10 per cent. The Government must accept responsibility for the cut. The Premiers' Conference gave no direction for it. The Premiers reviewed the position of the States, but left to the discretion of individual Governments the application of the reduction. The Government, in deciding to attack the wages of men on and below the basic wage cannot claim that the Plan directed them to do it, or that they were compelled to do it by any conference decision. This is emphasised by the fact that the Commonwealth, Victorian, and South Australian Governments have not taken the right to reduce the basic wage. In South Australia I believe the question is to be decided by the proper tribunal. Here the basic wage has recently been reviewed by the proper tribunal, but the Government intend to make a further cut. They propose to do

what other Governments have not done, and must accept responsibility for their action.

Mr. Kenneally: They are blazing the track.

Hon. W. D. JOHNSON: Yes, laying the foundation for the attack. Worst of all, the Government will not allow the proper tribunal to do it, but ask Parliament to do it. The Attorney General argues that we are competent to deal with these matters. We tried to induce Parliament to agree to a 44-hour week. On that occasion the Attorney General said that was a matter for the Arbitration Court to deal with. He now says that the question of wages, which has always been regarded as one for the court to deal with, must be handled by Parliament. Notwithstanding that the basic wage has already come down 9 or 10 per cent. to meet the special circumstances, the Minister wants the Government through their majority to compel Parliament to take off another 10 per cent. I like to see Governments do things boldly, but do not like them to use their bare majority to attack the wages of the workers. If they have a mandate it is to protect the workers. If there was one sacred pledge given to the people by the Government and their supporters it was that the Arbitration Court would not be interfered with, and that only the court itself would review industrial standards. It is bad enough for them to break their pledge on this point, but they aggravate their offence by seeking to ignore the tribunal concerned. How can we have law and order in such circumstances? Parliament is asked to submit to the dictation of the Government majority who got into office through misrepresentation. The Government are reviewing the position, not from the point of view of the living needs of the man on the basic wage, but from the point of view of the national emergency. The Government are not justified in dealing with the emergency side of the business by penalising the women and children. If the basic wage is reduced by another 10 per cent., those who will feel it most will be the women and children. Our job on this side of the House is to protect those who have nothing more than a bare living. It is unfair to say to such people that, although they have scarcely sufficient with which to maintain themselves, they are to be deprived of another 10 per cent. If the Government secure the major portion of their needs from those on the basic wage,

the remainder of the community will not be called upon to contribute anything like their fair share. There has been no comprehensive review of the situation. The Government merely find it easier to attack the basic wage, because the worker is organised and has the court to go to. In the early stages of the present emergency the court reduced the basic wage by 8s. a week. At the same time it was contended that interest should not be touched. The experts were not big enough to appreciate the fact that it was impossible to put things right by attacking the basic wage. It is clear, however, that interest too must be attacked. Many people now perceive that the whole business must be dealt with on a comprehensive basis. We have to admit that to-day these economists are more just than they were a few months ago. They now agree that interest rates must be reduced. However, that fact discounts the economists as being the humane organisation which should be employed on a job of this kind. They appear to have been more influenced by vested interests than by the claims of humanity. They suggested that human needs should be attacked first. We have to get beyond interest, to get to rent and other avenues of economy, before such legislation as this can be justified. The Bill, while attempting to deal with interest and other matters, is mainly an attack upon the living standard, the food standard, of the workers on the basic wage or under it. It is said that without this the 20 per cent. reduction cannot be obtained. But the Premier claims to have achieved the 20 per cent. already by economies which have been effected. The Government should grant to those on the basic wage or under it what has already been secured in the way of economy. That amount should be used for the protection of women and children first of all. What the Government have received, they have taken mainly from the workers. For example, about 800 men have been discharged from the Midland Junction workshops since the present Government took office. Most of them are now on sustenance, having exhausted their savings, large or small. The Government meantime are saving the difference between what those men earned and the sustenance they are receiving. It is stated that rolling stock is decaying for want of maintenance.

The Minister for Railways: Want of money.

Hon. W. D. JOHNSON: In various parts of the State thousands of trucks are stored, marked with a yellow cross to indicate that they are out of repair and cannot be used. An economic problem calling for close investigation is whether we are not deteriorating our assets out of all proportion to the money savings. The worker carries retrenchment either in the form of dismissal or reduction of wages. If the Bill does not accomplish what the Government claim, shall we have a similar Bill in 12 months' time? The Attorney General has indicated a 12 months' limitation.

The Attorney General: No. A limitation will be inserted in the Bill, but not a limitation to 12 months.

Hon. W. D. JOHNSON: Is the basic wage to be reviewed by Parliament again in 12 months from now? There seems no end to the imposts to be placed on the workers. The people of the State have not been consulted regarding this legislation, which has been dictated by the financial institutions of Australia. I am convinced that the attack on the status of the Australian worker began when Sir Arthur Duckham and his colleagues were here. As a banker imposes conditions on the unfortunate man who has an overdraft, so those men have been imposing conditions on Australia. Those men are associated with big British interests, and there is no means of putting the Australian point of view in reply to their statements. Then came Niemeyer representing the Bank of England. We know the proposal submitted by him to the Melbourne Conference. It was even more brutal than this Bill, which does take into account the question of interest. It was not part of Niemeyer's plan that interest or banking rates should be reviewed.

The CHAIRMAN: We are not discussing the Niemeyer report.

Hon. W. D. JOHNSON: No, Sir; but I am pointing out that this Plan has not been discussed by the people of the State. They have not given a mandate to the Government. Majorities in Parliament have been influenced by outside organisations to make this attack. After Niemeyer's visit the banking institutions started their campaign, with the assistance of economists. The Plan has been forced upon Australia by economic pressure. Parliament will be taking a grave responsibility in enacting this legislation, which neither the Government nor the Op-

position submitted to the people at the general elections. Without knowing the people's views, Parliament is asked to wipe out the Arbitration Court, to take the place of that court, and to attack the basic wage. The Arbitration Court having so recently declared that £3 17s. per week is necessary to provide for the living of the average worker, his wife and only two children, I trust Parliament will refuse to subject that limited amount to a special impost of about 10 per cent.

THE ATTORNEY GENERAL: I agree with the member for Guildford-Midland that in taking the steps we have decided upon, we accept a grave responsibility. I do not think the Government could have been induced to undertake it, nor would their followers have supported them, had it not been for the immense gravity of the situation confronting Australia in general and Western Australia in particular. Even if we achieve all the savings possible under the Bill, we will still be confronted with a deficit for the current year of over £1,000,000.

Mr. Kenneally: Nothing under £1,000,000 would satisfy the present Premier.

THE ATTORNEY GENERAL: I do not think we will get any further by that sort of remark.

Mr. Kenneally: It is an actual fact, so why hide it?

THE ATTORNEY GENERAL: It is a very foolish remark, because whatever the member for East Perth may think, he cannot imagine that any Premier likes to have deficits, particularly when he does not know how to meet them. In the past, Premiers were able, if they spent more than the State's income, to spend it out of cash they were able to borrow. It is common ground that in these days we do not know how we can borrow even £100 to meet the deficit. We are advised that even if we effect economies to the extent aimed at, we may then be able to get the assistance that is necessary to enable deficits to occur. It must be obvious that a State reaches a point at which deficits are not possible, because the money cannot be provided to pay out and credit is unobtainable. What is facing the Governments of Australia to-day is the impending position of not being able to pay from week to week their wages, salaries or other commitments.

Mr. Kenneally: Then the Bill is one that will enable deficits to be established?

THE ATTORNEY GENERAL: The hon. member can put it that way if he so desires. He can be assured that should there be a crash, there can be no deficits. Should that position be reached there will be no wages or salaries at all. Hon. members know perfectly well that is the position. Should there be a crash, the sufferings experienced by a great number of our citizens to-day will be incomparable with what their position must be should there be a complete collapse. In that event the lot of the people of Western Australia would be deplorable. The condition of affairs that obtained among the masses in countries where such collapses have occurred is hideous to contemplate. In those circumstances, the Government have to accept responsibility because they realise the actual position that exists to-day. The member for Guildford-Midland accused me of having expressed views on another occasion as to the impropriety of interfering with the Arbitration Court, and has challenged me with having gone back on my previously expressed opinions. The Bill involves going back on all sorts of beliefs I held. I always thought that contracts were sacred, yet I find myself compelled to abandon that belief for the time being, because of the gravity of the present situation.

Mr. Withers: And you are doing it wholeheartedly.

THE ATTORNEY GENERAL: In such circumstances, one must do things one hates; but if they have to be done, they must be done vigorously. If one has an unpleasant duty to perform, it is better to get it over as quickly as possible.

Mr. Withers: Will that apply to other sections of the community?

THE ATTORNEY GENERAL: I admit the Bill involves all sorts of going back on my part. I have to do what I dislike. I have to do things that I thought I never would have suggested. I simply cannot help it.

Mr. Sleeman: Why are other States not compelled to do them? They are not making the same provisions.

THE ATTORNEY GENERAL: I will deal with that point, too, but let me proceed in my own way. I do not want to reiterate arguments all along the line, and mere contradictions one by another will not get us any further. The main point I want to answer is the contention that the

Bill, in so far as it involves, as it does, cuts that will bring certain employees of the Government below the basic wage as it is now, does not form any part of the undertaking we gave to the Commonwealth Government. I say definitely that it does. I propose to give reasons in support of my contention, and I shall give them now and shall not feel called upon to repeat them again and again. The economists' report, which, although not adopted word for word, was the foundation upon which the Plan was built, contains a paragraph that I will read. I have already placed the paragraph before hon. members, and I shall read it to them again for the last time. I must explain that the Conference took place in Melbourne, and people in the Eastern States do not seem to be able to visualise the existence of Western Australia as another part of Australia. They think that if conditions apply to Melbourne they must apply to Western Australia, and if they do not, then they simply sweep that phase of it away as of so much insignificance. The paragraph I wish to read again is as follows:—

What further economies are possible? A standard for economy is given by the Federal basic wage, which has now fallen 20 per cent. below the level of 1928, and is, for the present, likely to remain at about this level. The fall is even greater compared with 1929. It is equitable on the whole that all wages and salaries in the Government service should have the same percentage reduction as the Federal basic wage.

If we turn to what was actually adopted by the Conference, we find that this was agreed to—

Reduction of Expenditure.—A reduction of 20 per cent. in all adjustable Government expenditure, as compared with the year ended the 30th June, 1930, including all emoluments, salaries, wages and pensions paid by the Governments, whether fixed by statute or otherwise, such reduction to be equitably effected.

I will agree that the clause of the economists' report, which I have quoted, means that there should be a flat rate reduction. The proposition adopted by the Conference does not mean that. It gives each Government latitude, provided it achieves the result, to get it by means of a sliding scale.

Hon. J. C. Willcock: You were strong on the subject of a flat rate.

The ATTORNEY GENERAL: I was. It would be irrelevant to seek to justify

my attitude now, but we may have an opportunity to argue that out at some future time. I believe that what the economists meant, and I believe it was the real scheme visualised at the outset by the Conference, was a sliding down of everything, leaving the relationship between different factors the same, except so far as Governments chose to alter the relationship. The idea at the outset was that there should be a sliding down of everything by 20 per cent., including interest, rents, wages, and everything else. I believe that if we had worked along those lines and endeavoured to achieve a comprehensive sliding down covering everything, we would have secured a much more efficient and workable plan, which would have covered tariffs, bounties, and everything else. I submit that Conference—I will not contradict anyone who seeks to say otherwise, and I do not want them to contradict me; we can express our opinions without that—decided in the end that they would not accept a flat-rate reduction, but it was agreed to secure the result equitably, according to the circumstances arising in each State. I say most emphatically that whatever sliding scale is adopted, emoluments, wages and salaries paid by Governments have to be reduced—not by retrenchments—by 20 per cent., irrespective of whether the payments are fixed by statute or otherwise.

Mr. Sleeman: Many were retrenched prior to that.

The ATTORNEY GENERAL: Yes. I have quoted a passage to show clearly that economies effected by way of retrenchment were not to be regarded as economies under the Plan. It was not a case of retrenchments or reductions in salaries, wages and emoluments being sufficient; both had to be undertaken, retrenchment and reduction. Even with all that can be achieved under the Bill, Australia will be left with a deficit of £13,000,000 for the year, the reduction being from £38,000,000, and in all conscience that is serious enough. I submit that a proper examination of the report and an appreciation of the arguments raised during the discussions will clearly demonstrate that Conference determined, by adopting a sliding scale, to achieve a reduction of 20 per cent. on all wages and salaries paid by Governments, whether fixed by statute or otherwise. I have already mentioned that the people in Melbourne do not seem to be able to visualise anything apart from the condi-

tions that apply to them. In that State their standard economy was fixed in accordance with the Federal basic wage, which had already been reduced to the extent of 20 per cent. I understand that in Victoria the Federal basic wage practically governs all workers, and the member for South Fremantle indicated that the Victorian Wages Board acted on the basis of the Federal determination. It was only when it was outside Victoria and it came to Western Australia that it was found that the Federal basic wage was of very little significance indeed.

Mr. Withers: What would have happened if the Federal basic wage had been higher than ours?

The ATTORNEY GENERAL: If it had been higher, we could have legitimately said that we had achieved the economy they set. In Western Australia, assuming we did undertake to bring about the 20 per cent. reduction apart from retrenchment, it would be impossible for us to do it without interfering with the Arbitration Court. Mr. President Dwyer, in announcing the decision of the court, remarked—

The enunciation of the definition of the basic wage brings me immediately to a contention put forth on behalf of the employers that a wage could be declared which would be similar to the wage fixed by the Federal Arbitration Court in January of this year, namely, that court's equivalent of the Harvester judgment plus 3s. and then deducting 10 per cent. I am of opinion that the deduction of 10 per cent., or any other proportion from the basic wage, is not permissible in this State.

And of course it is not. The court only varies the basic wage as the cost of living varies, and when the deduction of 7.6 was made Mr. President Dwyer said—

That amount at the present time, owing to falling prices in the constituents of the basic wage, has become £3 18s.—a reduction of nearly 10 per cent. This fall has come about naturally and inevitably with the reduced cost of living. It does not represent, as is sometimes alleged, a reduction in wages as such; it is merely an adjustment of the living wage to accord with the cost of living; that is, the real wages remain the same.

The people of Western Australia are entitled to understand what is happening. With regard to the men on the basic wage, who, so far, according to the President of the Arbitration Court, have suffered nothing, it is proposed that they shall suffer not as much as the man on the basic wage but in a similar proportion. The man on

the Federal basic wage suffered 20 per cent. We are suggesting that these people should suffer 18 per cent. Even if we adopted some variation of our scale of reduction, even if we brought down the amount for the small man to 10 per cent., that would involve an interference with the Arbitration Court.

Mr. Sleeman: A man who does a week's work is not on the basic wage.

The ATTORNEY GENERAL: It has been argued that it is wrong to touch the basic wage at all. My answer is that we have to do so in order to carry out our own undertaking, and that the reason it has not been necessary to do it in some of the other States is that in those States it was done already, and what they have done was taken as a standard of what should be done in respect of the Commonwealth Civil Service and the other Civil Services that had not already made the sacrifice that the workers under the Federal award had made. The various Premiers were asked to bring down proposals showing what further economies could be made over the original period. The figure of 20 per cent. represents that. It has nothing to do with the reduction of wages at all; it has nothing whatever to do with this undertaking that finds a place in resolution "A" of the Conference Plan. It would not be quite right to say it related to estimates because it included what had been achieved up to that date and what it was thought possible to achieve in the next year.

Mr. Raphael: At that rate, we shall have another cut next year.

The ATTORNEY GENERAL: If we cannot get through on this, we shall have a catastrophe, and the cutting that is going to be inflicted under this Bill will be a mere tickling with a feather as compared with what will follow.

Mr. Marshall: The people are not going to suffer year in and year out to suit your friends.

The ATTORNEY GENERAL: If it is not done, we shall all be out of this House.

Mr. Marshall: I am not concerned about that if we cannot do any better than you propose.

Mr. Teesdale: And the House will not be much concerned, either.

The ATTORNEY GENERAL: I have explained the attitude I have taken up and, although it may not satisfy the minds of members of the Opposition, it satisfies mine.

We are compelled to do this to carry out our undertaking.

Mr. Sleeman: You are pretty easily satisfied.

The ATTORNEY GENERAL: I regret I cannot accept the amendment.

Mr. PANTON: I was under the impression from the proposals that have been outlined, if they did not give satisfaction to the worker, we would have the satisfaction of knowing that they would be the means of balancing the Budget. Now the Attorney General tells us that there will be a deficit of at least a million. Surely, with all the proposed reductions, and some of them are particularly drastic, we were justified in believing that the Budget would be balanced.

Hon. J. C. Willcock: And prosperity restored.

Mr. PANTON: I never believed that the proposals of the Government would have the effect of putting one man or one woman of the unemployed into work again. If the Attorney General's statement is correct—and we have to accept it as being correct—with all the drastic retrenchments, we are still to have a deficit of a million. Where, then, does the Premier's argument come in that, with the balancing of the Budget, we shall be able to go on the market again? Every time the Premier went to the Eastern States, and again on the road back, his one hope was that, with the balancing of the Budget, and the putting into operation of these drastic proposals, confidence would be restored in Western Australia, and he would be able to go on the Home market and by that process find work for the unemployed.

The Premier: It is the only way, too.

Mr. PANTON: Does the Premier believe that, by closing the year with a deficit of a million, he will restore confidence and will be able to go on the London market? Can he give us any indication as to how long it will be before he will be able to balance the Budget by means of this drastic retrenchment? The whole argument advanced by the member for Guildford-Midland, and the reply of the Attorney General, has been on the question of the basic wage. We might be fairly clear in our own minds that whatever was the decision of the Premiers' Conference, the decision of the present Government—and may I say it was also the insistence of the Employers' Federation, the Chamber of Commerce, and the Chamber of Manufactures—was that at all costs the

basic wage in Western Australia had to be brought to the level of that of the Eastern States. At every meeting of those organisations that has been the one plea, that if only they could get the basic wage down to the level of that of the Eastern States, their manufactures could then compete with those of the Eastern States. To show the effect it is going to have on the manufacturing industry of this State, I asked a furniture manufacturer to-day to give me an illustration of the result the reduction of our basic wage to that of the Eastern States would have on that trade. He took as an illustration a three-piece upholstered suite of furniture manufactured in this State. The present selling price of that suite is £19 10s. The costs are made up in this way: Imported outer covering, cost price landed here, 13 yards at 10s. per yard, £6 10s.; cost of other materials, spring webbing, timber, etc., £2 10s.; cost of labour, £2 15s.; total cost to put into the shop, £11 15s.; selling price £19 10s.

Mr. Wells: Such suites cover a wide range, say from £15 to £50.

Mr. PANTON: Yes, and I suppose the hon. member could let me have one very cheap if I went to his sale room.

Mr. Wells: It is not a standardised line.

Mr. PANTON: That does not matter. As an illustration my friend took a given suite. On a more costly one no doubt he would make a greater profit. If wages in the furniture trade are to be reduced another 12.7 per cent., to bring them 20 per cent. below the 1930 standard, the wages costs of that suite will be reduced by 6s. 10d., and the selling price will be reduced to £19 3s. 2d. So this giving of outside employers the right to reduce wages by 20 per cent. will mean that the selling price of this suite will be reduced 6s. or 7s. below the £19 10s. price.

The Attorney General: Could we not have that argument on Clause 14?

Mr. PANTON: You can have it wherever you like. The Attorney General when replying, said the reason for reducing the basic wage in this State to that of the Eastern States—I am dealing only with the Minister's reply—

The Attorney General: You have misunderstood me. I was arguing that we could not perform our job by reducing salaries while leaving the basic wage sacrosanct.

Mr. PANTON: What is the use of reducing the basic wage by a few shillings if we are still going to have a deficit of

£1,000,000 at the end of the year? Whilst we on this side have consistently objected to so drastic a wage reduction, we have at least cherished the hope that the reduction would bring about the balancing of the Budget, as suggested by the Government.

The Attorney General: No, the avoidance of default.

Mr. PANTON: The Minister is now shifting his ground.

The Attorney General: No, that is all that was claimed. The Budget will be balanced in due course.

Mr. PANTON: But did not the bankers tell the Governments that unless they reduced expenditure by 20 per cent., they were going to default? Are we not to understand that?

The Attorney General: There was no need of telling by anybody. It was common ground. Every man at the conference realised that unless something was done we would default in the near future.

Mr. PANTON: Does the Minister believe that if this reduction of 20 per cent. will still leave the State with a deficit of £1,000,000, we are going to avoid default?

The Attorney General: I am not convinced that this will necessarily pull us out of our troubles. But I have not heard any other suggestion.

Mr. PANTON: Yes you have. Endeavours have been made to put other suggestions on the Commonwealth statute book, suggestions which we believe would have saved the country. But they were ridiculed and thrown out by the Senate. Now we have this new try-out, this reduction of 20 per cent. favoured by the Attorney General and his supporters, although they know quite well that at the end of the year we shall be in the same position or even a worse position. A 20 per cent. reduction in the purchasing power of the people must of necessity bring about retrenchment in the outer avenues of employment, and public servants must take their share of that retrenchment. So if we shall have to impose reductions all over again, what is the good of considering legislation of this sort, which is not even a stop-gap?

The Attorney General: We cannot get through the position and avoid default without some reductions.

Mr. PANTON: The Premier's frequently repeated statement was that this Plan would balance the Budget and restore confidence

in this State and in the Old Country so that we could get back to the money market.

The Premier: He declared that the Governments had said that. Do you not read what is published?

Mr. PANTON: I read only the Premier's published speeches; I am not concerned about the others.

The Premier: You have read the Premiers' Conference report.

Mr. PANTON: Yes, and I know exactly what took place. I know that the Premier is now supporting a Bill with which he did not agree at the conference. He said his Government had quite sufficient to do to mind their own business, without interfering with outside employers.

The Premier: We are trying to mind it now.

Mr. PANTON: And I have just as much right to mind it on behalf of my electors as the Premier has to mind it on behalf of the electors of Northam. So this is now just as much my business as it is the Premier's. I am surprised to learn that this legislation, imposing drastic reductions and sinking people further into the mire, is simply going to postpone the evil day for a few months, when we shall have it all over again. If that is the true position, then the sooner we put the Bill in the waste paper basket and tell the country we are in default, the better.

Mr. KENNEALLY: The Attorney General made certain quotations from the report of the Premiers' Conference with a view to showing it was the intention of the conference that there should be an additional 20 per cent. cut in Western Australia, imposed on what had already taken place.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. MARSHALL: I support the amendment. I agree with the Attorney General that drastic action is essential, but I disagree with him on the remedies he proposes to adopt. Whenever difficulties arise attacks are made on the conditions of the workers. The only conclusion to be drawn from the Attorney General's argument is that the lower the Government can reduce the standard of living, the more successful will be the Government's financial operations and the quicker the State will recover. If prosperity depended upon the bad conditions and low wages, many other coun-

tries would long-since have supplied the proof. There are countries like Japan, China, India and Africa that enjoy scientific wage slaves, who work for a pittance for 10 or 12 hours a day. In those countries people die on the footwalks; they are ill-housed, ill-fed, and uncared for. Yet the Attorney General suggests that the reduction of our workers to a similar level will bring prosperity. The Government know that the Bill can never bring prosperity. Only recently a committee of inquiry in England determined that the most pressing requirements of the country were the release of credits and the stabilisation of prices. The basic wage is the absolute minimum that the court deems necessary to enable a worker to live, and the Government propose to cut down the minimum by 20 per cent. If the Government obtained the services of its employees free, the State would be no better off in 12 months' time, because of the falling-off in the purchasing power of the people and its consequent effect on business. The Government have to obey those interests that insist upon the adoption of these methods. I suggest that in 12 months' time the Attorney General will be seeking further to cut the wages of the workers. Let me warn him that the workers will not tolerate such cutting much longer. During the last 12 months there has been considerable Press propaganda in favour of wage reductions. People who live on the fat of the land and have amassed great wealth have the power to dictate to the Government and the Government heed them. Why do not the Government attack the financial interests? Why should they always attack the workers on the lowest rung of the ladder? Only in those countries where the standard of living is high is progress to be found. The higher the standard of living, the greater is the progress.

The Attorney General: Where are those countries?

Mr. MARSHALL: America is one—a country the Attorney General has held up as an example.

The Attorney General: As an example not to be followed.

Mr. MARSHALL: The Attorney General has advocated the system of payment by results. That is an American system. Under the Bill he seeks to cut the piece-worker by 20 per cent., but he does not

propose to take 20 per cent. from the dividends of the banks, insurance companies, and other exploiters.

The Attorney General: Is not "cormorants" the favourite word?

Mr. MARSHALL: Such institutions utilise the wealth of the people against the welfare of the people. How much of the original share capital of the banks has actually been subscribed? Only a relatively small proportion. For the Western Australian Bank a mere quarter of a million was subscribed, and in the course of a comparatively few years the institution had assets worth millions, which was profit made out of the people, and could even pay dividends on watered shares. The Attorney General does not propose to attack institutions of that kind. They are dictating to Governments. It is money power that rules the country. This legislation has been pressed upon the Government by those who influence them. There is a point beyond which the people cannot go, and will not go. The clause, even if it is amended, is bad enough to incite revolt. The big financial institutions are at the back of this Plan. It certainly shows the influence of such people as the Big Four and Sir Otto Niemeyer. They are the kind of people who are managing Governments and dictating terms to them. They say that unless the workers are cut down to the lowest point they will not help Australia.

The Attorney General: I want the fullest discussion on these points, but I think there is a limit beyond which members should not be allowed to go in talking generalities. I submit that the hon. member has exceeded that limit.

The CHAIRMAN: I agree with the Attorney General to a certain extent. I have allowed a pretty full discussion, but I hope the member for Murchison will now keep entirely to the amendment.

Mr. MARSHALL: I will attempt to do so.

The Attorney General: Why not?

Mr. MARSHALL: I promise I will see that everyone else keeps to it. Meanwhile I will obey orders. The Government talk about an equal sacrifice for all, but they are quite prepared to exempt the wealthiest class. The amendment asks the Government not to effect any cuts for those who are on or below the basic wage. The Attorney General says the Government are in honour

bound to have this Bill passed. He was not in honour bound to give private employers the right to make these cuts.

The Attorney General: We can discuss that matter when we come to it.

Mr. MARSHALL: The last basic rate was arrived at by the Arbitration Court after due consideration of the financial position, and now the Government want still further to reduce that basic wage. Even the tramway employees, rationed as they are, will be subjected to the cut.

The Attorney General: That is dealt with in another part of the Bill.

The CHAIRMAN: I ask the hon. member to confine his remarks to the amendment.

Mr. MARSHALL: The tramway men will not earn more than the basic rate, and at the Government are going to slash into them and into the goldfields workers.

The Attorney General: You are the man who is doing the slashing.

Mr. MARSHALL: The Attorney General says he cannot accept the amendment because of the promise he made to the Premiers' Conference. It will certainly have my support.

Mr. KENNEALLY: Our object is to protect those who are on the basic wage, whereas the determination of the Government is that they, amongst others, shall contribute to the General Revenue. The Attorney General has a false idea of what the conference intended him to do. Even the economists at the conference recognised that Western Australia and South Australia had already effected a 20 per cent. cut in their expenditure. They did not say a further cut of 20 per cent. should be made in Western Australia, but only an additional cut. Professor Giblin, in referring to South Australia, said that the reductions there had not been completed, but that the arrangements made would arrive at a 20 per cent. reduction in 1931-32. His actual words were, "South Australia and Western Australia have already secured a 20 per cent. cut without making a 20 per cent. cut in wages and salaries. So far as we have information, we feel they ought to make a bigger cut." He did not say we should make a 20 per cent. cut.

The Attorney General: Who is making another 20 per cent. cut? Let us get down to facts. This measure proposes to achieve a 20 per cent. cut as compared with June,

1930. The hon. member knows there have been substantial cuts since then.

Mr. KENNEALLY: We have the professor's statement that a 20 per cent. cut has already been made in Western Australia.

The Attorney General: What he said was, "Without making a full 20 per cent. cut in wages and salaries, so far as we have information we feel they ought to make a bigger cut."

Mr. KENNEALLY: The professor says that the two States have already secured a 20 per cent. cut. That is where the Attorney General should start off. But he began, "Without making a full 20 per cent. cut in wages and salaries, so far as we have information they ought to make a bigger cut." Further, the Conference, in opposition to the views of some members, definitely decided that each Government should be left to say how the reduction should be brought about. We ask that the man on the basic wage be exempt from the cut. Nothing resolved at the Premiers' Conference indicates that the Attorney General cannot concede the point and still obtain the desired reduction.

The Attorney General: How can we get the money involved in the 20 per cent. gross reduction while leaving the basic wage man entirely alone?

Mr. KENNEALLY: The Attorney General is not bound by the decision of Conference to get in a total 20 per cent. cut.

The Attorney General: Then we disagree.

Mr. KENNEALLY: The majority of the Conference thought differently from the Attorney General as to one aspect. The Bill does not manifest the decision of the majority of Conference, but the Attorney General's attitude at the Conference, which attitude was defeated. Without disloyalty to the Conference he can grant what the amendment asks. The wording of the amendment means that those on the basic wage as compared with June, 1930, will still suffer a 10 per cent. cut.

The Attorney General: They have that now.

Mr. KENNEALLY: Yes. If they have already suffered a 10 per cent. cut, why does the Attorney General reach out with a capacious paw towards the men on the basic wage? Why not take the other amount from people above the basic wage? If we were proposing that the rate operative in June of 1930 should still operate

after this Bill had been enacted, the position would be different. If sacrifices are to be made, they should be made by those best able to bear them. The amendment accepts the inevitable, and should be carried.

Mr. SLEEMAN: The Attorney General, in quoting an extract from the report of the Premiers' Conference, stopped short. He read out—

A reduction of 20 per cent. in all adjustable Government expenditure, as compared with the year ended 30th June, 1930, including all emoluments, wages, salaries, and pensions paid by the Governments, whether fixed by statute or otherwise

He forgot to add—

. . . such reduction to be equitably effected.

The Attorney General: Ask any hon. member whether I forgot to add those words!

Mr. SLEEMAN: The Attorney General may not have done it purposely, but those few words make all the difference. The amendment tries to make the position more equitable. Under the clause the largest amount is being got from the man on the basic wage. The main object of the delegates to the Premiers' Conference seems to have been to get at the wage-earners. The Attorney General said this was the only way in which the full amount of the proposed reduction could be obtained. But several alternatives were put up at the Conference.

The Attorney General: Do you mean the fiduciary issue?

Mr. SLEEMAN: Yes. That would have been a better alternative than reducing the salaries of boys and girls below the basic wage. Some of Mr. Lang's alternatives are superior to what the Premier of this country has suggested. I say that, notwithstanding that Mr. Lang may have his faults. With all these schemes and plans our Premier admits that there will be a deficit of £1,000,000 at the close of the financial year. If that is the best the Government can do, they should vacate the Treasury bench. I hope the amendment will draw a convert or two from the other side of the Chamber.

Mr. HEGNEY: I support the amendment of the member for Guildford-Midland, which is entirely reasonable. The Bill, and particularly this clause of it, will oppress the workers. The amendment proposes alleviation to all workers and others with incomes of the amount of the basic wage or less. I fail to understand how members

who at the last election promised not to set aside arbitration awards can support the clause. Up to now the Labour Party have always stood by the principle of arbitration in preference to making the basic wage a fight in the Legislature; but the party now in control of the affairs of Western Australia propose to make Parliament the cockpit of the fight over industrial questions. If the Government can suspend the operations of the Arbitration Court in this way, they can go further in other directions. They are flagrantly breaking the promises they made at the elections. Formerly the complaint was voiced in the Press and in this House that workers would not obey the Arbitration Court awards. Now the Government themselves are flouting the Arbitration Court and breaking industrial awards. Professor Copland drew the attention of the Premiers' Conference to the fact that further revenue could be derived in Western Australia by increasing the income tax. The Bill means that the workers are to be penalised in order to save the payment by others of increased income tax. If the rehabilitation Plan agreed to by the Premiers were to achieve all that is claimed for it, we might be prepared to support it, but in this morning's Press, Mr. McPhee, the Premier of Tasmania, showed that that assertion was merely a myth. He intimated that the present Plan is merely portion of what will be necessary if Australia is to be saved from financial disaster. Yet we have been told that the Bill will mean the salvation of the country! The workers will be oppressed under its provisions and oppression begets oppression. Here, as in other countries, the workers have had to fight to secure a place in the sun, and the Bill is calculated to send them back to a state of semi-slavery. I protest against the measure altogether.

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

Ayes	..	..	..	18
Noes	..	..	..	22
				—
Majority against	..			4
				—

AYES.

Mr. Collier	Mr. Munsie
Mr. Coverley	Mr. Panton
Mr. Cunningham	Mr. Raphael
Mr. Hegney	Mr. Steeman
Mr. Johnson	Mr. Troy
Mr. Kenneally	Mr. Wansbrough
Mr. Marshall	Mr. Willcock
Mr. McCallum	Mr. Withers
Mr. Millington	Mr. Wilson

(Teller.)

NOES.

Mr. Angelo
Mr. Barnard
Mr. Brown
Mr. Davy
Mr. Doney
Mr. Ferguson
Mr. Griffiths
Mr. Keenan
Mr. Latham
Mr. Lindsay
Mr. H. W. Mann

Mr. J. I. Maon
Mr. McLarty
Sir James Mitchell
Mr. Parker
Mr. Patrick
Mr. Piessie
Mr. Sampson
Mr. Scaddan
Mr. Thorn
Mr. Wells
Mr. North

(Teller.)

PAIRS.

AYES.
Mr. Corboy
Mr. Walker

NOES.
Mr. Teesdale
Mr. J. M. Smith

Amendment thus negatived.

The ATTORNEY GENERAL: I move an amendment—

That after paragraph (ii.) of the proviso to Subclause I the following new paragraph, to stand as paragraph (iii.) be inserted as follows:—“(iii.) The rate of salary of an adult male officer shall not be reduced under this Act below a rate of £185 per annum, and the salary of an adult female officer shall not be reduced below a rate of £100 per annum.”

The £185 and the £100 represent the respective basic wages as at the 30th June, 1930, less 18 per cent. The sums mentioned in the amendment represent the position of the basic wage in this State if the same proportionate reduction had been made here as was made in the Federal award, which reduction was taken as the standard to which the economists in their report said it was fair to reduce the wages paid to Government employees, with two per cent. less. In other words, the amounts mentioned in the amendment do not represent the minimum that the economists said was fair.

Hon. W. D. JOHNSON: I cannot understand why the Attorney General has gone to the trouble of submitting the amendment. What value will it be?

The Attorney General: Do you not want it?

Hon. W. D. JOHNSON: We want every little fraction we can get, but this is such a paltry thing to propose. If some exemption be justified, why does not the Attorney General make it worth while? To whom will this pettifogging amendment apply? If the Minister had attempted to modify the amendment just defeated to the extent of saying that there should be exemptions, we could have discussed the question with a view to arriving at a compromise. Had he adopted that attitude, he would have indicated that he has some consideration, and would have evidenced the possession of some soul, for those who will suffer under the

Bill. The Minister has reduced the basic wage of £203 9s. by 18 per cent., and then says that if a man earns that amount at any time, he shall be taxed.

The Attorney General: That argument arises in connection with a later amendment.

Hon. W. D. JOHNSON: No, it applies here.

The Attorney General: I will withdraw the amendment if you like.

Hon. W. D. JOHNSON: It is so small and it will apply in such a limited sense that I cannot see what value attaches to it. I presume the hon. member was influenced to bring in the amendment by the remarks made by the member for Leederville regarding probationary nurses at the hospital. But the amendment applies in so limited a sense that I cannot see how it is going to be of any value at all. It is not a concession, not even a consideration.

Mr. PANTON: I ask the Attorney General what is to be the definition of “adult female worker.” Does it mean one over 21 years of age, or has it to do with the salary she receives?

The Attorney General: I should say it depends on the age, nothing else.

Mr. PANTON: Then I am afraid the Attorney General will find trouble in its administration and will impose considerable trouble on many workers. Take, for instance, a waitress. It has been argued in court that a girl 19 years of age is probably a better waitress than is a woman of 70 years, although they are getting the same wage. Quite a number of institutions receiving grants will be affected by the Bill and compelled to reduce the wages paid to their employees.

The Attorney General: They can pass it on exactly as they like.

Mr. PANTON: But, as I pointed out the other night, if earning capacity throughout the State is to be reduced by 20 per cent. it will be very difficult for those institutions to collect anything at all.

The Attorney General: They can make the reduction by any method they choose.

Hon. A. McCallum: Not according to your Bill.

The Attorney General: Their grant gives them a free hand to do as they like.

Hon. A. McCallum: Your Bill does not say that.

Mr. PANTON: Assuming the Attorney General is correct in saying that those in charge of institutions can make the reduction as they think fit, it will cause a great

deal of discontent if there is any differentiation made between employees doing the same work. A large number of women are employed in various capacities at the Perth Hospital and paid under an award of the court, and so age does not come into it at all. If this amendment is agreed to and an adult female worker is limited to £100, those amongst the employees who are under 21 years will rightly claim that they are adults, according to the wage they receive, and so the whole staff will be upset and the executive very much worried. The Attorney General should give this matter a little consideration, for it will have a very wide-spread application. Some employees are paid according to experience—six months so much, 12 months so much. Consequently we shall have a lot of trouble unless the Attorney General can find a satisfactory interpretation of "adult female worker." I hope he will not put this amendment through and then leave someone else to worry about it.

The Attorney General: You think we had better pass the amendment, but give it further consideration.

Mr. PANTON: No, it would be better to exempt the basic wage worker altogether. Will the Attorney General agree to look into the question of interpretation and, if necessary, have a satisfactory one inserted?

The Attorney General: I will.

Hon. A. McCALLUM: This is the point at which the Committee have to declare whether they are in favour of reducing the State basic wage to the level of the Commonwealth basic wage. The figure mentioned by the Attorney General is the equivalent of the Commonwealth basic wage.

The Attorney General: Higher than that, I think.

Hon. A. McCALLUM: No, it is just about the same. I am taking the figure as declared at the end of June, 1930—Perth £3 6s. 10d., after allowing for the 10 per cent. reduction.

The Attorney General: This £185 represents £3 11s. 4d. per week.

Hon. A. McCALLUM: It is as near as it is possible to get to the Commonwealth rate. The Minister said our basic wage had not been reduced to the same extent as the Commonwealth basic wage, and that

he was asking this State to make a sacrifice which was equivalent to the point the economists had recommended to the conference in Melbourne. If our basic wage is to be brought down to the Commonwealth basic wage we shall be departing from the standard our own court has set. The Attorney General read part of the declaration of the president of the court when he said that in his view the law did not allow to be taken into consideration anything other than the standard that was set in our own Act, and that he could not reduce the figures. But it is as well to know the figures on which he arrived at that standard. As I explained last night, our court bases the figure for rent on the average rent charged for a house of four or five rooms, whereas the figure arrived at by the Commonwealth Court is the average of all rents. This is what the president of our court had to say when delivering his last judgment—

We are now asked to reduce the standard in accord with the Federal court standard. The Federal standard (or the Harvester standard) is an amount based upon the conversion of two guineas per week in Melbourne in 1907 into the equivalent purchasing power of that two guineas in the place where the wage is to obtain for the time being, and adding thereto the sum of 3s. The table of figures upon which the necessary calculations for this purpose are based is one which comprises the cost for the time being of food, groceries, and the rent of all houses. This table has been used throughout by the Federal court, and if the necessary calculations were made, we would arrive at an amount, with the 3s. aforesaid added, for Perth, on the figures for the March quarter, 1931, of £3 14s. 3d. This table, however, in so far as it represents variations in the purchasing power of money, has been discarded by Australian statisticians since 1925, and the table now used by those authorities for this purpose is based, not upon a consideration of the rent of all houses, but upon a consideration of the rent of four and five-roomed houses. By adopting the latter table we find that the purchasing power for Perth, based on the figures for the March quarter, 1931, of the Harvester two guineas in Melbourne in 1907, and without the adventitious aid of the Powers 3s., is £3 15s. 9d. Because of its rejection by statistical officers, I cannot accept the Federal court's table as a true indication of the comparative purchasing power of money, even with the addition of the 3s., the latter sum being an amount ascertained in 1921 by Mr. Justice Powers to meet conditions which do not now exist.

So we are asked now to get back to the standard the statisticians have discarded.

The Attorney General: No.

Hon. A. McCALLUM: We are asked to fix a basic rate which is below the rate fixed by our court on the figures they have had as a standard ever since the Act has been in operation.

The Attorney General: But we are not asked to adopt the Federal standard at all. The figure that is put in here comes to £3 11s. 4d. per week, whereas the Federal standard is £3 6s. 8d. The only thing we are doing is getting a similar ratio of reduction. The Federal wage has gone down by 20 per cent. since 1930. I am proposing that the State wage shall go down by 18 per cent., and so we get £3 11s. 4d. as against £3 6s. 8d.

Hon. A. McCALLUM: But here is the official document. It is £3 6s. 10d. There is no doubt what the objective is; it is to get the basic wage of this State lowered to approximately the Federal basic wage. That is what the Employers' Federation have been fighting for; it is what the "West Australian" has been agitating for, and the Government are bowing to that outside agitation. The proposal can be hedged with all sorts of explanations, but what I have stated is the bald fact. The president of the State Arbitration Court pointed out that, owing to unemployment and rationing, the 10 per cent. would be far exceeded. Consequently it cannot be said that the workers have suffered only a 10 per cent. reduction; the reduction has been much greater. I move—

That the amendment be amended by striking out "£185" and inserting "£203" in lieu.

That would make the amount equal to the State basic wage. We should not say in effect that the method of fixing the State basic rate, declared by a court which we have set up, is wrong.

Mr. SLEEMAN: Why is the Attorney General's amendment worded differently from the preceding paragraph? It says "at the rate of," which would evidently mean that if a person worked for only two or three days in the year and received at the rate of £185 per annum, he would be subject to the reduction. If that is so, it will not be fair.

The ATTORNEY GENERAL: In fixing the amount at £185, the intention was not to bring the State basic wage into conformity with the Federal basic wage. We are proposing that the same ratio of reduction shall take place. The rate of £185 per an-

num is equal to £3 11s. 2d. per week, whereas the Federal rate is £3 6s. 10d. The ratio between the Federal and State basic wages remains the same. I am not suggesting that the State court is wrong in its method and that the Federal court is right. The State court finds that it is prohibited by law from making any reduction except in accordance with the change in the cost of living. That was argued at great length on the previous amendment. I considered the amendment would be useful, but if members think it valueless, I do not mind. We are prepared to say that an adult male in the service, whether under an award or not, shall not be brought below the State basic wage of 1930, less 18 per cent., which leaves £185. Similarly with the women in the service; and we thought the provision would cover the probationers in the hospitals. The effect of the amendment would be to exclude them from any reduction. The member for Leederville (Mr. Pantou), with his more intimate knowledge of industrial conditions, points out that there are certain dangers and that the operation of the minimum may create an anomaly.

Mr. Pantou: It will, when you come to deal with the ages of waitresses and housemaids.

The ATTORNEY GENERAL: Are there many in the Government service?

Mr. Pantou: The Bill will also apply to employees outside the Government service.

The ATTORNEY GENERAL: As regards them, the matter will be dealt with by the court.

Mr. Sleeman: By appeal to the court.

The ATTORNEY GENERAL: No; the move will have to be made by the employer, and the court will make a decision. I presume that any peculiarity would be adjusted. If the hon. member considers that the matter should be further investigated, that will be done. Any suggestions from him that will help us to clear up anomalies will be welcomed. I cannot accept the amendment on the amendment, because it would be equivalent more or less to accepting the amendment we have just rejected. In reply to the member for Fremantle, the proposal is to reduce the rate. If that is not done, no reduction could be made in the pay of Government employees who are not permanent employees.

Mr. Sleeman: Is it fair to reduce them if they are not permanent employees?

The ATTORNEY GENERAL: When I moved the second reading of the Bill I told members that I did not claim any merits for the measure, except that it would meet a necessity.

Mr. Sleeman: We are still going to be a million short.

The ATTORNEY GENERAL: If we said that unless a man did a whole year's work in the service his income could not be reduced, no reduction would ever be made. We should have to wait until the end of the year to know what could be cut off. We must get our 20 per cent. How can we do so if we do not touch rates, but only gross receipts? When a reduction is made, the victims will still be substantially better off so far as rate of pay goes than about 80 per cent. of the workers in the Eastern States.

Mr. SLEEMAN: The whole thing is unjust. I fought this very principle in connection with the hospital tax. If a person does only one week's work in the year, it is grossly unfair to bring him within the scope of the Bill. There have been many misunderstandings outside Parliament concerning this matter; apparently our worst fears are to be realised.

Mr. RAPHAEL: The Attorney General has set himself up as a wage-fixing tribunal as well as a matrimonial tribunal. By reducing the basic wage he will prevent any young man from getting married, and render absolutely futile any attempt on his part to get on in life.

The Attorney General: I will withdraw the amendment if you like.

Mr. RAPHAEL: The Attorney General has certainly allowed us to carry a few amendments but they do not get us anywhere. The banks are dictating to the Government what must be done.

The CHAIRMAN: Order! The hon. member must speak to the amendment before the Chair.

Mr. RAPHAEL: The Attorney General said we need not worry about pence. If he has his way, the workers will have nothing else but pence to live on. I remember an occasion when the Premier told the unemployed from the steps of Parliament House that the reason for the drastic reduction in wages was that it was a means of getting them all back to work.

The Premier: Not at all.

Mr. RAPHAEL: But that before they could get back to work the Budget would have to be balanced. We are now told that

the Budget will not be balanced even with these ruthless cuts against the workers. It will not be long before Parliament is asked to make further reductions in the earnings of the people.

Hon. S. W. MUNSIE: It does not matter whether the Attorney General withdraws the amendment or not, because it will give us nothing.

The Attorney General: Why waste time talking about nothing?

Hon. P. Collier: Because you introduced nothing into your amendment.

Hon. S. W. MUNSIE: The Attorney General introduced the amendment because of our argument that the Commonwealth and Victoria had fixed a limit of £182, below which the people would not be taxed.

The Attorney General: You are wrong; you were wrong last night. Look up the piece of paper you read then. That proved you were wrong.

Hon. S. W. MUNSIE: I said last night that the £17 and the £36 had been taken off the Commonwealth Public Service officers long before the Conference met. That was a cost of living reduction.

The Attorney General: You will not make it right by being emphatic. Read the piece of paper you had last night.

Hon. S. W. MUNSIE: The paper is headed—

The following table shows the amounts which will be deducted from officers in the various salaried grades.

Then there is a column headed, "Salary 1st July, 1930," and another column headed, "Cost of living deductions, including any deductions made since the 1st July, 1930." This proves that there were a good number of deductions prior to that date.

The Attorney General: Does it?

Hon. S. W. MUNSIE: Yes. In March last representatives of the Commonwealth Public Service in this State went to Melbourne to attend the annual conference, and had a discussion with the Commonwealth Public Service Arbitrator. The amount taken off for cost of living reduction, instead of being £36, was £28. The Commonwealth and Victoria, whose Acts I have seen, provide almost word for word in accordance with the amendment moved by the member for Guildford-Midland, that there is to be no reduction below the basic wage of £182. I want the Attorney General to explain how persons working for the Government can derive any benefit from

his amendment. I admit that the man on a rate of £186 annually in the Public Service cannot be reduced below £185 if the Attorney General's amendment is carried; but if a man is on a rate of £184, then 9½ per cent. will be deducted from him under the amendment.

The ATTORNEY GENERAL: No such thing.

Hon. S. W. MUNSIE: Apart from that, I do not yet know what the amendment means. Under it a female worker on £101 would not be subject to a reduction, but a female worker on a salary of £99 would be subject to the full reduction.

The ATTORNEY GENERAL: My amendment has produced some extraordinary statements from the last speaker. I have here the official list, published by the Commonwealth Government, upon which the next Commonwealth Public Service pay will be made here. It is headed, "Financial Emergency Act, 1931," and in the first column there are the annual salaries, and in the next column the reduced annual salaries, of officers and employees under 21 years of age. The reductions are from £82 to £67, from £90 to £74, from £94 to £77, from £99 to £81, from £106 to £87, and so on. The adult male employee on £216 is reduced to £182, and so on.

Hon. S. W. Munsie: Why is the reduction to £182? Be fair!

The ATTORNEY GENERAL: It does not say.

Hon. S. W. Munsie: The explanation says it. There is £34 cost of living.

The ATTORNEY GENERAL: What it means does not interest me. This paper has been obtained by a public servant, and I think we can take it as the official document upon which the Commonwealth is about to pay public service salaries here.

Hon. S. W. Munsie: But that includes the cost of living reduction.

The ATTORNEY GENERAL: And does not our proposal include the cost of living reduction?

Hon. S. W. Munsie: It includes more.

The ATTORNEY GENERAL: And this includes a little more too.

Hon. S. W. Munsie: Not in the case of an adult on £182.

The ATTORNEY GENERAL: The hon. member's argument was that under the Commonwealth Act there would be no reduction from persons under £182.

Hon. S. W. Munsie: No. I said, adults under £182.

The ATTORNEY GENERAL: That is not the statement of the hon. member as I heard it.

Hon. P. Collier: There is no reduction, except the cost of living reduction, in the Commonwealth service below £182. You are arguing that there is.

The ATTORNEY GENERAL: Does the Leader of the Opposition say that the effect of this Bill will be more serious?

Hon. P. Collier: Emphatically I do.

The ATTORNEY GENERAL: What is 18 per cent. off £82?

Hon. A. McCallum: It all depends on the reduction of the cost of living allowance, which allowance varies in different parts of the Commonwealth.

The ATTORNEY GENERAL: Does not my amendment mean that no adult worker can be reduced below £185?

Mr. Keuneally: By your amendment you inflict the 18 per cent. reduction.

The ATTORNEY GENERAL: What does that matter? Does the Leader of the Opposition argue that my amendment will allow an adult to be brought down below the rate of £185? The Commonwealth scheme deals with permanent officers of the Commonwealth Public Service, but this Bill covers all sorts of persons outside.

Hon. A. McCallum: That is where you get into deep water.

The ATTORNEY GENERAL: The net result of this Bill will not reduce Western Australian public servants as much as officers elsewhere have already been reduced.

Hon. A. McCallum: That is entirely wrong.

The ATTORNEY GENERAL: The Premier of South Australia stated at the Conference that his railway men's wages had been reduced by 30 per cent.

Hon. S. W. Munsie: By whom?

The ATTORNEY GENERAL: By the Arbitration Court.

Hon. S. W. Munsie: That is all right.

The ATTORNEY GENERAL: Our Arbitration Court did not do that, and said it had no power to do that.

Hon. P. Collier: And then you said, "We will do it."

The ATTORNEY GENERAL: I do not wish to waste the time of the Committee by trying to force on Opposition members something which I thought they wanted, but which apparently they do not want.

Hon. S. W. MUNSIE: If the Attorney General will make it quite plain that no

adult male in the service, who is receiving less than £185 per annum, will suffer any reduction under the provisions of the Bill, I will accept the amendment willingly.

Hon. P. Collier: He will not say that.

Hon. S. W. MUNSIE: That is not what the amendment will effect at all.

The Attorney General: I wonder if we are arguing at cross purposes.

Hon. W. D. Johnson: I think we are.

The Attorney General: Do you say that a man who is employed at the rate of £184 a year will be subject to a reduction?

Hon. P. Collier: No, not "at the rate of"; we are referring to his salary for the year.

The Attorney General: I do not wish that there should be the slightest misunderstanding on the point. The amendment will reduce the rates irrespective of the fact that a man may not work for the whole year for the Government.

Hon. P. Collier: In other words, if a man receives only £50 in a year, the reduction will apply.

The Attorney General: His rate will be reduced, if he works for one week or one month.

Hon. S. W. MUNSIE: That is what I wanted to get at. That shows that the amendment will not achieve what some people think it will.

Mr. Marshall: It is eyewash!

Hon. S. W. MUNSIE: A reduction of 7 per cent. on £186 would mean about £13. No man employed in the public service of Western Australia has been reduced by more than 11 per cent.

The Attorney General: Some have suffered a reduction of 20 per cent. There will be quite a number of civil servants who will lose nothing additional if the Bill be agreed to, because they have suffered the reduction already.

Hon. S. W. MUNSIE: If a man receiving £186 a year has already suffered a reduction of 11 per cent., he will be liable to a further reduction of 7 per cent. to arrive at the full deduction of 18 per cent.

Mr. Parker: We stop at £185 under the Bill.

Hon. S. W. MUNSIE: The Attorney General just indicated that it does nothing of the kind. In both the Federal and Victorian Acts no one is to be reduced under the Plan below £182 a year. Our Bill pro-

vides to the contrary, and the public should realise it.

Mr. SLEEMAN: I believe I can see a little good in the amendment as it will cover the young female who is earning 10s. a week and keep. It will benefit her, if she is not under 21 years of age. Apart from that section, I do not know of anyone else to whom the amendment will be of any use. The Plan specifies that the reduction shall be applied equitably. Packers and storemen employed by firms have been receiving £4 10s. 6d. a week. Most of them are on half-time—a week on and a week off—which reduces their wages to £2 5s. 3d. a week. The State, under the sustenance system, says that in order to keep a man, his wife and children from starving, a payment of £2 9s. a week is justified, and it is paid. Under those conditions would it not be better for the packers and storemen of Perth and Fremantle to go on the dole instead of working for £2 5s. 3d., less the reduction that will be applied under the Bill?

The CHAIRMAN: Order! The hon. member will have an opportunity to discuss that phase later on. We are dealing now with Government employees.

Mr. SLEEMAN: Packers and storemen are not employed by private people alone.

Hon. W. D. JOHNSON: I believe the Attorney General desires to accomplish something. He did not draft this amendment.

The Attorney General: Well, I did!

Mr. Kenneally: If I were you, I would not draft any more.

Hon. W. D. JOHNSON: The Minister knew what he was after. If he did not do so before he commenced to draft it, he must have discussed it with his experts to ascertain what effect it would have. Will the Minister give us an illustration to indicate how it will apply? I understand it will probably apply to the young girls at the hospitals, to whom the member for Leederville referred.

The Attorney General: That is one illustration.

Hon. W. D. JOHNSON: Surely your experts picked out some illustration as to a male adult worker. Why not give us that illustration?

The Attorney General: I do not think it would satisfy you.

Hon. W. D. JOHNSON: I am afraid to oppose the amendment, because it might mean some little concession; but I do not want to support it if it is going to be of no value. Only an illustration would satisfy me on that point.

Mr. PANTON: I want to be quite certain that all those who are not adult workers will be subject to the 18 per cent. cut. Is that so?

The Attorney General: That is so.

Mr. PANTON: Very well; then all adult workers receiving up to £185 will escape the 18 per cent. cut, but all those under 21 years of age will be subject to the deduction of 18 per cent.

The Attorney General: That is so.

Mr. PANTON: Of course it will be said that the proper person to suffer is the young man or young woman. But in the Public Service there is quite a number of single male and female adults, who will not be penalised.

The Attorney General: Do you think it would be possible to frame an Act that would not contain certain anomalies?

Mr. PANTON: It would be better to cut out the word "adult." That would overcome all the anomalies. It is strange that an adult in the Public Service shall be exempt up to £185, whereas the juniors shall be subject to a deduction of 18 per cent. Juniors are to suffer the deduction no matter what their wages, but single adults, male and female, will escape.

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

Ayes	..	..	..	19
Noes	..	..	..	23

Majority against .. 4

AYES.	
Mr. Collier	Mr. Munroe
Mr. Corboy	Mr. Panton
Mr. Coverley	Mr. Raphael
Mr. Cunningham	Mr. Sleeman
Mr. Hegney	Mr. Troy
Mr. Johnson	Mr. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
Mr. Millington	

(Teller.)

NOES.	
Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piesse
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. H. W. Mann	Mr. North
Mr. J. I. Mann	

(Teller.)

AYES.		PAIRS.	NOES.
Miss Holman		|	Mr. J. M. Smith
Mr. Walker			Mr. Teesdale

Amendment on the amendment thus negatived.

[Mr. J. H. Smith took the Chair.]

Hon. W. D. JOHNSON: I move an amendment on the amendment—

That "£100" in the last line be struck out and "£110" inserted in lieu.

We desire the Attorney General to have some regard for the female worker, and so in our opinion the £100 should read £110, which is the equivalent of the basic wage. Already we have argued it all, and I do not wish to argue it again.

Amendment on the amendment put and negatived.

Amendment put and passed.

Mr. KENNEALLY: I move an amendment—

That paragraph (v.) be struck out and the following paragraph inserted in lieu:—“(vii.) An officer shall be entitled to the benefit of any increase in the basic wage which shall be made after the commencement of this Act and which shall be applicable to him, but he shall not (if he is affected by any reduction made under this Act) be also affected by any decrease in such wage except to the extent by which such decrease may exceed the rate of reduction made in his salary under this Act.”

The existing paragraph precludes the possibility of any officer getting any benefit as the result of an increase in the basic wage. The Attorney General has said that he does not wish to interfere too much with the functions of the court, but this appears to be an attempt unduly to interfere. Assuming the desirability of making a reduction of 20 per cent., prices might increase and the basic wage might be raised. If that happened, what justification would there be for denying the workers the benefit of the increase? If the benefit were not allowed, the cut in their wages might be equal to 25 per cent. or more. The Government should not say, in effect, to the workers, “Now that you are down, you shall remain down, no matter how much the basic wage might be increased on account of the rise of the cost of living.”

The ATTORNEY GENERAL: What is set forth in the Bill exactly expresses, not the desire, but the intention of the Government. When we remember that the whole excuse for this legislation is the sheer in-

ability of the Government to go on paying, it should be apparent that we must have the paragraph.

Hon. J. C. Willcock: If prices rose, the economic conditions would be affected.

The ATTORNEY GENERAL: The only increase of prices that could help Australia would be the prices abroad for wheat and wool. If there was a material increase in the world prices of wheat and wool, sufficient to make those industries profitable, we should soon be in a position to throw overboard this obnoxious measure.

Hon. W. D. Johnson: It will still be here.

The ATTORNEY GENERAL: Until it is thrown out. I intend to agree to a limit of time during which the Act will be in operation. Meanwhile, it must be apparent that if there is any substantial rise in the price of the products we sell, the Bill from the point of view of the economy it will effect will lose its value. What we are hoping for is a drop in the cost of living.

Hon. J. C. Willcock: But the Federal Government are jamming on taxation all the time.

The ATTORNEY GENERAL: The cost of living is more likely to come down than to go up.

Mr. Kennelly: The country cannot build up on low wages and low prices.

The ATTORNEY GENERAL: High prices and low wages are the bad things. I regret I cannot accept the amendment, though I should like to have done so. It may be dangerous.

Hon. W. D. JOHNSON: If the basic wage rises, it must do so for a definite reason. We can only hope to have our financial position improved as a result of substantial increases in the price of our exportable products. No one knows what the price may be in a few months when we will have commenced harvesting. If we could get a payable price for our wheat this would greatly affect our industrial conditions. The Attorney General has no right to say that the Government will not recognise any increase in the basic wage. It would only go up for a very good reason and because of advantageous circumstances.

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

Ayes	..	..	..	..	19
Noes	..	..	..	..	23

Majority against .. 4

AYES.

Mr. Collier	Mr. Munsie
Mr. Corbooy	Mr. Pantou
Mr. Coverley	Mr. Raphael
Mr. Cunningham	Mr. Steerman
Mr. Hegney	Mr. Troy
Mr. Johnson	Mr. Wansbrough
Mr. Kennelly	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
Mr. Millington	(Teller.)

NOES.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piesse
Mr. Ferguson	Mr. Richardson
Mr. Griffiths	Mr. Sampson
Mr. Keenan	Mr. Scaddan
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. H. W. Mann	Mr. North
Mr. J. I. Mann	(Teller.)

Amendment thus negatived.

The ATTORNEY GENERAL: I move an amendment—

That in paragraph (vii.) of the proviso to Subclause 1, after the word "may," line 1, there be inserted "by notice in the 'Government Gazette.'"

I think this amendment will be acceptable.

Amendment put and passed.

Hon. A. McCALLUM: I move an amendment—

That the following paragraph be added to Subclause 1:—"Except with the previous sanction of the Court of Arbitration, no reduction which is at variance with any industrial award or agreement shall be made in any salary to which such award or agreement is applicable, provided that it shall be lawful for the Treasurer to make application to the said court for such sanction at any time."

The amendment affirms the principle that the Government must not interfere with decisions of the Arbitration Court, but must go to the court and state their case, in which they should have sufficient confidence. The principle of permitting the Government, through Parliament, to cut wages and salaries in defiance of the court, is wrong and will produce serious trouble. The policy of the amendment is that adopted by the South Australian Government since prior to any mention of the Plan. The Attorney General's proposal, if adopted, will recoil on the hon. gentleman and his party, and will have a most detrimental effect on industry in this State. According to the Attorney General's contention, under the Plan the Government must make the cut themselves, instead of going to the Arbitration Court. The South Australian Premier, who

is doubtless as anxious to live up to the Conference agreement as our Attorney General is, has discarded the idea of the Government making the cuts direct. I disagree with the Attorney General's interpretation of the Conference resolution as to salaries and wages "whether fixed by statute or otherwise." It clearly relates to men who have their salaries fixed by statute—judges, for instance.

The Attorney General: What is the "otherwise"?

Hon. A. McCALLUM: The "otherwise" would refer to any other governmental expenditure of the kind. If salaries are fixed by the Arbitration Court, why not go to the Arbitration Court for leave to reduce? All awards and previous decisions of the Arbitration Court are wiped out by the clause. I cannot express myself too strongly against Parliament being forced into the position of a wage-fixing tribunal. A most unwholesome element will be introduced into the public life of the State. Just imagine the pledges we will have to give on the hustings; the bidding that there will be between the parties!

Hon. J. C. Willecock: It will be mere bribery.

Hon. A. McCALLUM: That is what it will amount to. Electorates will be knocked down to the highest bidders.

Mr. Kenneally: The electors will be chary about taking their word after the experience of the last election.

Hon. A. McCALLUM: The whole thing is repugnant to me. In his own heart, the Attorney General does not believe in the principle, and has apologised for it. He seems to think he is pledged to ask Parliament to endorse this cut. He cannot place himself in a different position from that of Premiers of the other States, who have not sought to secure this power, yet he is going to the extreme limit. I view the future with grave concern, if the Bill be agreed to as it stands. Imagine political party conferences discussing platforms, and requiring candidates to pledge themselves to repeal the Bill, or increase wages by Parliamentary action! If we can by legislative action reduce wages 20 per cent., by the same means we can increase them by 20 per cent.

Hon. P. Collier: And that is what the electors will ask us to do in future.

Hon. A. McCALLUM: The Attorney General is under no misconception regarding that matter, and knows that if an election

were to take place shortly, each candidate would have to answer questions regarding the repeal of the measure and increased wages.

Hon. P. Collier: Parliament will have to decide such industrial matters in future.

Hon. A. McCALLUM: It is a rotten idea, repulsive, repugnant, objectionable in every way. Instead of discussing matters of major importance in the interests of the State, we will have to get down to bidding for votes on the basis of the monetary interest of individual electors. Elections will be decided on questions of cold cash. No Parliament should be allowed to sink to such a level. The South Australian Government have declared they will not interfere with the functions of the Arbitration Court. Yet the Attorney General seems to think he is pledged to a contrary attitude. What will be the position of our railways and other industries or activities conducted by the State if we pass this legislation and elections have to be conducted as I have indicated?

Mr. Kenneally: We know that in the matter of promises we will have no chance with the present Premier.

Hon. A. McCALLUM: Here we give the Government an opportunity to avoid such an objectionable position, and they cannot say in future that we have refused to help them to get to the Arbitration Court quickly. Let the Government accept our offer and retain our present wage-fixing system intact. I am convinced it is merely a false interpretation of his duty to the Premiers' Conference that is actuating the Attorney General. I want this State to keep clear of the difficulties I have in mind. I am not fearful of the consequences merely from the point of view of the present party in office, but from that of my own party. What answer can we give if our own supporters say, "The other side had no hesitation in reducing wages. Now you are in power, why do you not force wages up again?" If the Bill becomes law, under this amendment the Treasurer will be able to go to the Arbitration Court with his case. Surely that is sufficient. We urge the Government, in the interests of the industries of the country, not to go on with this repulsive idea of Parliament fixing wages. When we were in power we took the stand that it was wrong for a Minister to fix salaries. How, then, can it be right for Parliament to take such a responsibility? Mr. Hill, the Premier of South Australia, would be just as anxious

as the Attorney General here to give effect to the decisions of the Premiers' Conference. Yet he will have nothing to do with this principle. Some men in South Australia have been reduced by 30 per cent., but it has all been done by the proper authority, and Mr. Hill refuses to depart from that principle. This Government should do the same. Both sides ought to be heard on such an issue as the fixing of wages.

THE ATTORNEY GENERAL: One effect of the times we are passing through is to exhibit one of the deficiencies in our Arbitration Act as compared with other Arbitration Acts. It is true that Mr. Hill, the Premier of South Australia, had achieved through the channels of arbitration very large reductions in salaries and wages even before the Premiers' Conference took place. It is equally true that it would have been, and still is, impossible under our Arbitration Act for us to secure anything like similar reductions. Only a few weeks ago the President of the Arbitration Court declared he had no power to alter the basic wage, except in accordance with the cost of living. That is the reason why we have not been able to bring about what has been done by Mr. Hill. I agree with almost everything the member for South Fremantle has said in his condemnation of Parliament fixing wages; but we are faced with this rigidity of system which has hitherto prevented us from going to the court and asking it, with any hope of success, to alter the rates of pay for Government servants on the ground of national urgency. Had we gone there, we would have been told by the president that he had no power to accede to our request. So we have not been able to effect anything like the same economies as Mr. Hill has achieved. Thus we find ourselves faced with the necessity to make our reductions for the current year in salaries and wages in the Government service. However reluctant we may be to do this, however unpleasant it may be, the urgency of the position of this State compels us to face the unpleasantness of doing it, and to do it ruthlessly and deliberately in this measure. There is a force which in any less strenuous circumstances I would recognise in the arguments of the member for South Fremantle, but I regret that I cannot accept his amendment.

Hon. P. COLLIER: The Attorney General puts up a most extraordinary defence.

He says that because the Government of South Australia have been fortunate in that their price-fixing tribunals have reduced wages during the past year or 18 months, and because our court would refuse to reduce the basic wage, we are justified in overriding the court. If our court says it will not do it because our Act will not permit it to be done, the proper course is to amend our Arbitration Act in order to remove any restrictions and permit the court to make such reductions as have been made in the Eastern States.

Mr. Panton: Hear, hear!

Hon. P. COLLIER: To contend that Parliament should do it is no defence. This is the most wretched principle ever introduced into this Parliament. There can be no doubt that it will lead to the degradation of the public life of this country. The whole question at election time will be, "If you secure a majority, will you, of your own volition and without troubling about the Arbitration Court, increase our wages?"

Mr. Panton: And by how much?

Hon. P. COLLIER: Yes. The promises made at the last elections were a degradation of public life, but the unparalleled and unprincipled promises then made will be multiplied tenfold. I did not make a solitary promise during the elections. In my policy speech and in every speech I delivered I said, "I will make no promises whatsoever; I will do the best I can in the circumstances." I pointed out the difficulties. We had already entered the period of depression, though it was not so bad then as it is now. As against my declining to make any promises, members opposite broadcast unscrupulous promises. They had no policy whatever and they made promises.

Mr. Sampson: No one believed that things could develop so badly.

Hon. P. COLLIER: The votes of men out of work and in difficulties were influenced by the promises that work would be found for them.

Mr. Hegney: They were grasping at a straw.

THE CHAIRMAN: I do not think the last elections have anything to do with the amendment.

Hon. P. COLLIER: They have a lot to do with it. I realise that I am touching you on the raw. I venture to say I can discuss any question, and I defy you under the Standing Orders to pull me up.

The CHAIRMAN: The hon. member's remarks have nothing to do with the paragraph.

Hon. P. COLLIER: Then point out where I am wrong. I remember a certain visit to Bridgetown; in fact, promises were made everywhere. Mr. Lang has been held up to opprobrium because of the promises he made at the last elections—the most reckless promises I have ever heard—but they hardly exceeded the promises made by supporters of the present Government. What will happen at the next elections? Promises will be made more than ever before. It is a most vicious principle, and I am surprised at the Government's standing for it. If there is anything wrong with the powers of the Arbitration Court, let us amend the Act, even to the extent of getting permission to reduce wages to any level desired, but do not let Parliament start fixing wages as this clause proposes. Such a principle will recoil, not on the present Government, because they will not be in office, but on the people, and they will suffer. The thoughts of the people will be turned from national questions to such questions as getting their wages increased by 1s. or 2s. a day. When my Government granted Government employees the 44-hour week, there was endless criticism by members opposite because it was done without the sanction of the court. Throughout the country at the last elections we were charged with having exercised administrative authority to grant the 44-hour week without the sanction of the court.

Mr. Sampson: Was there not good justification for the complaint?

Hon. P. COLLIER: Does the hon. member say there is no justification for opposing this proposal?

Mr. Sampson: I have not criticised it.

Hon. P. COLLIER: We know how the hon. member will vote.

Mr. Sampson: You usurped the functions of the court.

Hon. P. COLLIER: This proposal fairly abrogates the authority of the court and sets it aside.

Mr. Sampson: The Minister explained the grave need for it.

Hon. P. COLLIER: Some men can always find an excuse, no matter how miserable it may be. Doubtless prosperous times will return, and then the people will be entitled to say that just as Parliament re-

duced their wages during the depression, so Parliament should increase their wages during prosperity. Had this been proposed by my party—

Mr. Sampson: You know there is no parallel.

Hon. P. COLLIER: There is none for the hon. member.

Mr. PANTON: I presume the measure will apply to the whole of the employees in the loco. shops, railways and tramways. In the loco. shops practically every trade is represented. If Parliament is going to decide what the wages of these tradesmen shall be, it will inevitably re-act on the Arbitration Court when private employers go to that tribunal for a variation of awards. Whatever standard we set in this Bill will be taken as the standard for the court to follow, and the court will undoubtedly follow it. It is most unfair that Parliament should set up the standard that will govern private industrial employment. The Bill was originally designed to cover Government employees, but it has now been extended to the wider sphere. We do not know how far it will go. It will probably embrace every industry in the State. Amongst the Government employees every section of our industrial life is represented and so will be affected. This is a paragraph we should fight to the bitter end. The only thing the Government have been afraid of is that the Arbitration Court will not bring down the basic wage to the Eastern States level, and so they have chosen this Bill as a means to overcome the difficulty. Everything to do with the fixation of wages is to go by the board. We hear a lot of talk about graft in other parts of the world. I can conceive of no section in any Act of Parliament that will prove a greater incentive to graft in this State than this particular provision. I appeal to the Attorney General either to accept the amendment of the member for South Fremantle, or to bring down an amendment to the Industrial Arbitration Act along the lines indicated by the Leader of the Opposition. I think the workers are prepared to trust the court, as I am. This is one of the worst features of a pretty bad Bill.

Mr. WITHERS: The Attorney General has contended all through that he is consistent. He declares that under the Arbitration Act it is not possible to appeal to the court for a reduction in wages except

on the ground of reduction in the cost of living. But later in the Bill there is a clause enabling outside employers to approach the court for variation of an award. Thus the Attorney General applies to private employees a condition which he does not apply to the Government. I support the amendment.

Mr. KENNEALLY: Some members opposite have argued in the past that Government employees should not have access to the Arbitration Court. Here is a vicious attempt to deprive Government employees of that right. What need is there to differentiate between Government employees and private employees? Neither the Commonwealth nor any State except Western Australia makes such a provision. Members of the present Ministry have, from this side of the Chamber, criticised past Governments for alleged want of faith in the Arbitration Court. I regard this provision as altogether foreign to an emergency measure. Under the plea of national calamity it inaugurates a principle which has been in the minds of various members opposite for years. An attempt of this nature was made in Victoria many years ago; but the Victorian Government themselves were the first to realise the futility of the provision, and accordingly they reopened the Arbitration Court to Government employees. If application were made on behalf of Government employees here for improved conditions under this provision, I can visualise Ministers saying, "That is for an outside tribunal to determine, and we are not going to give our time to such questions."

Mr. MARSHALL: I support the amendment. The Opposition cannot be blamed for viewing the Government's attitude on this clause with much suspicion. If we ought not to be suspicious, then we would have a right to charge the Government with incompetency. This is the third measure introduced to carry out the Plan, and the Government must have known that they could not secure all they desired under the Plan without a provision like this. The Opposition stand for compulsory arbitration, and if the Government had brought down a Bill to amend the Arbitration Act we could not have objected. The Attorney General cannot say that we are not justified in being suspicious, having regard to the hon. gentleman's attitude at the Premiers' Conference. The principle is one we cannot accept. We stand for compulsory arbitration, although much abused by some of our own supporters who

do not believe in it. If the Minister had introduced a Bill to amend the Arbitration Act—

The Attorney General: You have worked yourself into a profound passion.

Mr. MARSHALL: On the contrary, I am more likely to work myself into a passion when I consider the Bill now before us. Merely because, according to the Minister, the President of the Arbitration Court has said he cannot reduce the basic wage any further, the Minister seeks to embody a provision in the Bill to enable him to accomplish what the President has not consented to do. It merely converts Parliament into a wage-fixing tribunal, and it is a rotten principle to introduce in our legislation. It will be availed of in the future, and will play an important part on the hustings. It is impossible to say just how far this sort of thing will go. If the Minister wished to legislate along these lines, he could have introduced a separate Bill to amend the Arbitration Act, and it would have been passed long ago. For God's sake, do not convert Parliament into a tribunal to fix industrial wages and conditions.

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

Ayes	..	..	..	..	19
Noes	..	..	..	..	22

Majority against 3

AYES.

Mr. Collier	Mr. Munzie
Mr. Corboy	Mr. Panton
Mr. Coverley	Mr. Raphael
Mr. Cunningham	Mr. Sleeman
Mr. Hegney	Mr. Troy
Mr. Johnson	Mr. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
Mr. Millington	

(Teller.)

NOES.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piessie
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Keenan	Mr. Thora
Mr. Latham	Mr. Wells
Mr. Lindsay	Mr. North
Mr. H. W. Mann	
Mr. J. I. Mann	

(Teller.)

Amendment thus negatived.

Hon. A. McCALLUM: I move an amendment—

That the following paragraph be inserted after paragraph (vii.):—" (xi.) In the case of any reduction of salary to which no industrial award or agreement is applicable an

appeal may be made by the officer affected to the board or tribunal to which he would have the right to appeal against a classification or reclassification of his position, and such board or tribunal shall have power to make such order in regard to the subject matter of the appeal as shall be just."

This embodies the same principle as the previous amendment, and will apply to organisations outside the Government service. I do not know what objection the Government can have to this.

The Attorney General: The same arguments apply to this as to the previous amendment.

Hon. A. McCALLUM: Which means no argument at all, except that of the force of numbers. As I have said, the principle in this amendment is the same as that in the previous one, so there is no need for me to labour it.

Hon. W. D. JOHNSON: The Attorney General asked members to defeat the previous amendment on the score that the Arbitration Court could not meet the special emergency now existing. He said the Arbitration Act strictly de-limited the court, and he added that no such limitations obtained in South Australia, and that in consequence Mr. Hill had been able to get relief that could not be secured here. But that reasoning does not apply to this amendment. The Classification Board is not limited, not even to the extent that obtains in South Australia. That being so, how can the Attorney General resist this amendment?

The ATTORNEY GENERAL: As a matter of fact, at first sight it does appear that this and the previous amendment embody the same principle. But on examination there is seen to be a distinction. In the previous one the proposal was that the Government, before making any reduction in the remuneration of persons subject to the Arbitration Court, should make an application to that court. Under this amendment it is proposed that the Government shall be permitted to make reductions, but that each person affected shall have the right of appeal to the classification board. The principles embodied in the two proposals are distinctly different, but the latter is the more objectionable from the point of view of the Government wishing to effect the reduction. Every civil servant who thought he had a grievance would go to the Appeal Board, and the board might easily be occupied throughout the duration of the measure

without determining the whole of the appeals.

[Mr. Richardson resumed the Chair.]

Amendment put and negatived.

The ATTORNEY GENERAL: I move an amendment—

That after "distributed" in Subclause 2, the words "as far as may be" be inserted.

It might not be possible to distribute the amount of the reduction equally, and the draftsman considers the addition of the words necessary.

Amendment put and passed.

Hon. P. COLLIER: I move an amendment—

That the following proviso be added to Subclause 2:—"Provided that if any officer shall, by reason of not working full time, lose in any year an amount of salary which is equal to or greater than the reduction in his salary authorised by this Act, then no such reduction shall be made in his salary for that year, but if the amount so lost shall be less than the reduction so authorised, then such reduction shall be diminished by a sum equal to the amount so lost as aforesaid."

Those employees who, because of part-time or rationed employment lose a considerable period of work, should not be subject to the reduction. If an employee works one month and suffers reduction, and then is off the next month, the month he is off should be taken into consideration. In almost every sphere of activity men and women are working part-time. It was generally understood that rationing would be considered in applying the decisions of the Premiers' Conference. According to the official report, page 31, the following occurred:—

Mr. Scullin: We shall have to take rationing into consideration. If we make a cut against the man who is already rationed, he will face starvation.

Mr. Hogan: There is no question of doing that. The reductions effected by rationing are part of the 20 per cent. reduction.

Hon. W. D. Johnson: Such men would be contributing.

Hon. P. COLLIER: Of course they would be. That was definitely understood by the Prime Minister and the Premier of Victoria. To determine otherwise would be most unjust. A man may work only one month in the year, but during that period this reduction will be made from his earnings. The effect of this will be to cut out rationing. It

was understood at the conference that rationing would be included. I hope the Attorney General will see the justice of accepting my amendment.

The ATTORNEY GENERAL: Would it not be dangerous to say to an impecunious Government, "So far as any of your employees are rationed you can achieve no economy?" Is it not certain that all rationed men would disappear?

Hon. A. McCallum: No union will agree to rationing, and I am prepared to advise them not to do so.

Hon. P. Collier: Thousands of men will be out of work and will be drawing sustenance.

The ATTORNEY GENERAL: Parliament should not direct its attention to legislation on the basis of what the unions may or may not do.

Hon. P. Collier: If they do take a certain course what will be the result to the State? Thousands of men will be thrown out of employment.

Hon. A. McCallum: You are asking us to consider what the Government will do. If you say that rationing is not to count, do you not think the men will see that it disappears altogether?

12 o'clock, midnight.

The ATTORNEY GENERAL: Then we shall be on the horns of a dilemma. If we do not accept the amendment it will mean the unions will refuse to allow rationing. I must, therefore, accept a course that will lead to economies. The Government are not going to allow their employees to receive a smaller amount of cash than they are getting as rationed men. They will have to be given more work to achieve the same cash remuneration. I understand the Government motor car drivers are working four weeks out of five. To give them the same cash results the Government intend that the time off shall be reduced and the work increased. That may lead to someone having to go off altogether.

Hon. P. Collier: Quite so, and he will have to go on to sustenance.

The ATTORNEY GENERAL: That has been happening for years. A good deal of retrenchment was effected by the previous Government. The Leader of the Opposition found himself compelled to put men off before we came into office.

Hon. P. Collier: Because there was no employment for them.

The ATTORNEY GENERAL: That is so. The activities of Government were steadily diminishing. There was neither work nor money for the men. If the Leader of the Opposition were still on this side of the Chamber, it would involve his doing some very unpleasant things indeed. His Bill, however framed, would have been almost as objectionable to him as this one is to him and also to us. I should have liked to be able to accept the amendment, but I cannot do so.

Hon. J. C. WILLCOCK: Equality of sacrifice has been stressed time and again. Some people have to work part-time, and are thereby making a great sacrifice. Is a further sacrifice to be heaped on them? A principle of the Bill is that there shall be reduction of expenditure. If numerous men are put on part-time, that in itself effects reduction of expenditure. The Attorney General seems obsessed with the idea that reductions in rates of pay must be meted out at the same time. I fail to see the necessity, if reduction as required can be attained by rationing. In that case there is no occasion to impose reduction of rates of wages on the people rationed. No one should be expected to make a double sacrifice. I have a great respect for the Attorney General's capacity as a member of the Ministry, but I do not think he embodies all the wisdom of the Government in his own person, and I should have liked also to hear from someone else on this subject. Some of the people rationed are thereby penalised to the extent of 25 or 33 per cent. of their remuneration, and to deduct another 18 per cent. from them would be utterly unjust as well as unnecessary. Such a proposal is not part and parcel of the Plan. It would throw a huge burden of sacrifice on one section. Members opposite might have a word with the Attorney General on the matter.

Hon. S. W. MUNSIE: What the Attorney General told us was true in one way when he said that to put up such a proposition to a financially embarrassed Government meant asking them to agree to being prevented from rationing as a means of effecting economies. Rationing is nothing but a method of securing a reduction of wages. I admit that if rationing were dispensed with altogether, it would cause much extra hardship compared with that existing now with rationing in operation. On the other hand, rationing has become

so prevalent that I am afraid we will have the spectacle in the near future of employers contending in the Arbitration Court that because employees have lived for 12 months or 18 months on half-time pay, that fact affords proof that the workers were receiving too much before. I am opposed to rationing because I regard it as an underhand means resorted to in order to reduce wages. It is certainly of advantage to many employers, particularly in the city where it provides the shopkeepers with a staff of employees at their beck and call for rush periods. I cannot understand why the Government, who have adopted the rationing system, will not agree to allow that rationing to be taken into consideration under the provisions of the Bill. I agree with the Leader of the Opposition that if the Government will not accept the amendment, within a month of the Bill being proclaimed, there will not be one rationed worker in the Government employ. The men will not agree to rationing and taxation at the same time, with the result that the Government will have hundreds of additional men in the metropolitan area alone who will be out of work and for whom the Government will have to provide sustenance. I understand the banks have undertaken to furnish a certain amount of money because of the sustenance payments necessary in these times. Unless the amendment be agreed to, the money necessary for that purpose will be considerably increased. In some instances the rationing by the Government represents much more than 20 per cent. with respect to the wages drawn by workers. When the members of a union have refused to be rationed, preferring to keep at their own cost a proportion of their membership at work in another calling—if they are to be penalised for doing that, of course they will cease doing it.

Mr. RAPHAEL: I will support the amendment. Under the present Government many of the departments have fallen into decay. Particularly does this apply to the Railways, the Minister having allowed the management of that department to become very slack. The tramway employees in their goodheartedness have sent a number of their comrades out prospecting in the gold-mining areas rather than submit to rationing, but now those men will have to be recalled and placed on the dole. Unem-

ployment has increased tenfold since the present Minister took charge. Those tramway men will add another £150 per week to the liability of the Government, for all of them that have been prospecting, together with their families, will have to go on the dole. The Attorney General in handling this Bill has set himself up as a dictator to an extent even greater than Mr. Lang has ever thought of. He and his Bill will put further men out of employment and will break the morale of hundreds of others. In a shop in Perth last week I asked the girl assistant if she was looking forward to the reduction in her wage that would be brought about by the attitude of the Government. She said she could not be reduced much more, for she was at work only two days in the week. If there were to be any further reductions she did not know what she would do. Without a shadow of doubt this remorseless attitude of the Government will result in many girls being so reduced as to become mere dregs of humanity. When the Bill comes into operation, probably the State Statistician will be relieved of his job, for Parliament will then do all the fixing of wages and industrial conditions. Although the basic wage has been fixed by the Arbitration Court on the figures submitted by the Government Statistician, the Attorney General has had the audacity to say he will not agree to it, that it must be reduced. I hope the amendment will be carried.

Mr. KENNEALLY: This amendment tests the sincerity of the case presented by the Minister. Many workers have voluntarily agreed to the rationing principle in order that some of their number might not be dismissed. The Government now have an opportunity to show whether they appreciate the action of those workers. Under the Bill they will be treated precisely as if they were receiving full wages. If the 50 tramway men had been dismissed, there would have been 50 more men drawing sustenance from the Government. Do the Government intend to act the part of Shylock towards them? The railway men voluntarily agreed to a 5 per cent. cut in wages, but if the Bill be passed, those men will be deemed to be in receipt of the full rate of pay. At the 'Premiers' Conference it was definitely declared that any cuts made in wages or salaries since June, 1930, would be taken into consideration. Are the Government going to repudiate that declara-

tion? Will the Minister for Railways say that the cuts already made by the railway and tramway men shall count for nought? What is the view of the member for North-East Fremantle (Mr. Parker) in whose district a number of railway men reside? If the Attorney General desires to follow the decisions of the conference, he can do so only by accepting the amendment. Any reduction however made since June, 1930, must be taken into account.

Mr. SLEEMAN: I protest against members being kept here so late. We have a long list of amendments before us, and there is no need for such a protracted sitting. Two or three of the States have yet to pass legislation of this kind, and the discussion could well be adjourned until next week. To sit such long hours is bad for everybody. Next week we could return fresh and fit for the work.

The Attorney General: Come back full of fight, and go on longer than ever.

The CHAIRMAN: Is the hon. member discussing the amendment?

Mr. SLEEMAN: I am making an appeal to the Minister.

The Attorney General: The appeal is dismissed.

Mr. SLEEMAN: I hope the amendment will be agreed to. Some Government employees are working one week in two and others one in three. They will be getting less than they would receive if they were on the dole. One could not blame any of them for stopping work and going on the dole altogether. I appeal to the Attorney General to be reasonable and agree to the amendment.

Mr. MILLINGTON: This amendment will actually save the Government money. About 500 men used to be employed by one firm and now only 400 are employed, the 100 out of work being maintained by those who are still engaged by the firm. If the Attorney General forces the issue, the 400 employees will be unable to help their mates any longer. Rationing will largely be discontinued and more people will become a charge upon the Treasury. This state of affairs the amendment would prevent. If rationing is discontinued, there must be a large increase in Government expenditure. The very economy the Government seek to effect will be frustrated. This particular amendment will save something to the Treasury: therefore the Government can well concede it. It is in accordance with the

economy scheme. Members opposite should have an opportunity to consider the matter. Experimental legislation is being rushed through in record time.

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

Ayes	..	..	..	19
Noes	..	..	..	23

Majority against .. 4

AYES.

Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Panton
Mr. Coverley	Mr. Raphael
Mr. Cunnlogham	Mr. Sleeman
Mr. Hegney	Mr. Troy
Mr. Johnson	Mr. Wansbrough
Mr. Kenneally	Mr. Withers
Mr. Marshall	Mr. Wilsons
Mr. McCallum	Mr. Willcock
Mr. Millington	(Teller.)

NOES.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piesse
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. H. W. Mann	Mr. North
Mr. J. I. Mann	(Teller.)

Amendment thus negatived.

Clause, as previously amended, agreed to.

1 o'clock a.m.

Clause 8—Superannuation and retiring allowances to be reduced:

The ATTORNEY GENERAL: I move an amendment—

That the proviso to Subclause 1 be struck out and the following inserted in lieu:—
“Provided that where any officer retires or otherwise leaves the service during the operation of this Act and is entitled on such retirement or leaving to a superannuation or retiring allowance, such allowance shall be calculated in accordance with the Act or regulation under which it is granted, save and except that such allowance shall not be calculated in any event at an amount lower than the amount of such allowance if it had been calculated as on the 30th day of June, 1931.”

The new proviso takes into account a feature that was missed. The object of the proviso is to prevent an officer who may retire during the operation of the Act from suffering a cut twice—first the salary, which will affect his pension, and secondly the pension. I overlooked the point at the outset that an officer might have secured pro-

motion in the service and, in the circumstances, he would be deprived of the benefit of that promotion as reflected in his pension. He certainly should not be deprived of the benefit of the added pension. It is no part of the Plan to prevent an officer from being promoted in the service and benefiting accordingly.

Amendment put and passed.

The ATTORNEY GENERAL: I move an amendment—

That in line 2 of Subclause 2, after "distributed" the words "as far as may be" be inserted.

The words are similar to those already inserted in an earlier clause.

Amendment put and passed.

The ATTORNEY GENERAL: I move an amendment—

That in line 3 of Subclause 3 the word "first" be struck out and "ninth" inserted in lieu.

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

Clause 9—Grants may be reduced:

Mr. PANTON: Will the Minister explain how this clause will operate? It seems to me that the Government, if they so desired, could apply it to sustenance payments.

The ATTORNEY GENERAL: No. The clause deals only with grants that at the moment are not within the control of the Government. A typical example is the grant to the University. The question of sustenance has always been one entirely at the discretion of a Government, and the clause will not affect that position.

Clause put and passed.

Clauses 10, 11—agreed to.

Clause 12—Contracts of service may be varied by the employer in certain cases:

Mr. KENNEALLY: I move an amendment—

That a proviso be added to Subclause 2 as follows:—"Provided that no employee shall have his remuneration reduced hereunder below the amount to which it would be reducible if he were an officer in the Public Service and that he shall not be liable to suffer any reduction at all if, being such an officer, he would not be liable to any reduction; and provided further that except with the previous sanction of the Court of Arbitration no reduction in the remuneration of any employee shall be made hereunder which is at variance with any industrial award or

agreement applicable to such employee, but it shall be lawful for the employer to make application for such sanction to the said court at any time."

The ATTORNEY GENERAL: It may shorten the remarks the hon. member may see fit to make if I tell him I am prepared to accept the amendment down to the words "officer in the public service." I would be prepared to accept the second half of that sentence down to the words "liable to any reduction," were it not that I regard them as redundant and already covered by the first part of the amendment to which I will agree. I think it is a proper principle that ought to be embodied in the Bill. If the employee was an officer in the Public Service and did not get any reduction at all, clearly he would come under what I might term No. 1. The second part of the amendment, of course, I do not accept.

Mr. KENNEALLY: In view of what the Attorney General has said, with your leave, Sir, I will omit from the amendment the words "and that he shall not be liable to suffer any reduction at all if being such an officer he would not be liable to any reduction." It would not be right to give the employers provided for in this section the right to say what reductions should be made. So the amendment provides that no reduction shall be made until it has received the sanction of the Arbitration Court. Previously I said it appeared to me the Government were endeavouring to get Government employees away from the Arbitration Court. Here clearly they are going still farther and embracing in that plan the employees of institutions receiving Government grants.

The Attorney General: These grants, of course, are entirely in the discretion of the Government.

Mr. KENNEALLY: If, say, the grant to the Blind Institute was reduced, it would give them the opportunity to come within the clause.

The Attorney General: No, because Clause 12 prescribes that the reduction must be made under the authority of this Act; which of course gives authority only to reductions that could not be made without that authority.

Mr. KENNEALLY: Compassionate allowances would not be affected.

The Attorney General: No.

Hon. A. McCallum: Hospitals?

The Attorney General: No, they are provided for out of a special fund.

Mr. KENNEALLY: The argument still applies to institutions whose employees would have the right to go to the Arbitration Court.

The ATTORNEY GENERAL: I am inclined to make a concession here. It is only reasonable that we should put the employees of these bodies, which after all are outside bodies, in the same position as private employees. So I do not propose to oppose the amendment.

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

Clause 13—agreed to.

Clause 14—Awards and agreements may be varied:

The ATTORNEY GENERAL: I move—

That Clause 14 be struck out.

I do that with a view to inserting in lieu thereof the new clause of the same number appearing on the Notice Paper.

The CHAIRMAN: The Attorney General will vote against the clause and will move his proposed new clause after the remaining clauses have been disposed of.

Clause put and negatived.

The ATTORNEY GENERAL: I am now placed in the awkward position of having to move amendments to Clause 15 which will have no meaning until the proposed new Clause 14 is included. Could not we consider the proposed new Clause 14 now?

The CHAIRMAN: To do so would be contrary to the Standing Orders, but in view of the difficulty, I think that, by leave of the Committee, the Attorney General might be permitted to deal with the proposed new clause now.

Leave granted.

Hon. P. Collier: It would facilitate discussion to move each of the proposed new subclauses seriatim.

The CHAIRMAN: That can be done.

New Clause 14:

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause (1) of Clause 14:—“(1.) Any employer, other than a body or person referred to in section twelve of this Act, who is subject to the provisions of the Industrial Arbitration Act, 1912-1925, and any amendments thereof, or who is bound by any award or industrial agreement made under the provisions of the said Act or any amendment thereof, and who is employing employees at

a salary, wage, or remuneration which is fixed either directly or indirectly by any such award or industrial agreement may, notwithstanding any provision of the said Act or any amendment thereof or of any award or industrial agreement made thereunder to the contrary, at any time within twelve months after the commencement of this Act, and either by himself or through any industrial union or industrial association of employers of which he is a member, by notice in the prescribed form apply to the Arbitration Court for a variation of the award or industrial agreement by which he is bound as aforesaid as regards the terms and conditions relating to rates of salary, wages, or remuneration prescribed or fixed thereby.”

The new clause is very different from the one struck out. Subclause (1) outlines the new plan by which the alteration of wages can be extended to private employees. I think members will accept it as being less objectionable than the original proposal.

Mr. Kenneally: That is not necessarily a recommendation.

The ATTORNEY GENERAL: But it should be more acceptable. The matter will be dealt with by the court on the application of the employer. If the court does not think it right to make an order, no order will be made. I expect that the arguments already advanced as to why the provisions should not be extended to private employees will be resurrected, and I repeat that not only is the extension of the reduction part of the Plan, but it is the basis of the Plan. How we can justify reducing the wages and salaries of Government employees without including outside employees, I do not know. It is not desired that every employer shall reduce his employees' wages. It is in the interests of the community that the highest possible wages and salaries should be paid.

Mr. Panton: It is a bit of an invitation.

[Mr. Angelo took the Chair.]

The ATTORNEY GENERAL: There are many industries which, if not given some relief of this kind, will go out of existence, and that will enhance the present difficulty. I am prepared to listen to detailed amendments which might make the working of the subclause more effective.

Hon. P. Collier: What about the principle?

The ATTORNEY GENERAL: Stronger argument than has been adduced will be required to persuade me to forego the principle.

Hon. A. McCALLUM: We object to the Government interfering with private employment. They have no authority from the Conference to do so, but are doing this in defiance of the Conference. The position of the Australian Workers' Union seems to have been overlooked. This union has in its ranks the largest number of unskilled workers in the State, but it is not registered before the court. We propose to add to the subclause words that will bring the A.W.U. into this part of the Bill.

The ATTORNEY GENERAL: At present they would be covered in Division 3.

Hon. A. McCALLUM: If decisions dealing with the A.W.U. are given separately and apart from other unions, constant trouble will ensue. We are not seeking to gain any special advantage by our proposal.

The ATTORNEY GENERAL: I will accept the amendment with the reservation that, if after I have looked into the matter and it seems wrong to me, I shall endeavour to get the words excised in another place.

Hon. P. Collier: There is no catch about it.

Hon. A. McCALLUM: We want decisions governing the A.W.U. to be in conformity with those given in the case of other unions. We do not want the A.W.U. to be out of step.

The ATTORNEY GENERAL: I accept the suggestion.

Hon. A. McCALLUM: I move an amendment—

That the subclause be amended by the addition of the following words:—"For the purpose of this section 'industrial agreement' includes an agreement made with any body of workers, and 'industrial union' includes any such body of workers."

Amendment on the subclause put and passed.

Hon. A. McCALLUM: There is nothing in Subclause 1 to prevent an employer from making repeated applications to the Arbitration Court. I think the idea is that there shall be only one application. I would suggest adding to the subclause these words, "It shall not be competent for the court to deal with more than one application affecting the same employees during the currency of this Act." The ATTORNEY GENERAL, I understand, proposes to limit the measure to one year.

The ATTORNEY GENERAL: No; three years.

Hon. P. Collier: The measure should come up every year.

Hon. A. McCALLUM: It is not intended that there should be repeated applications.

The ATTORNEY GENERAL: The court might decide that an application should not be granted immediately, but should be granted six months later.

Hon. P. Collier: How can it be said that emergency legislation is justified for three years?

The ATTORNEY GENERAL: I take it the member for South Fremantle desires to prevent the possibility of two reductions being made during the currency of the measure. However, there might be a technical refusal of the first application.

Hon. A. McCallum: I do not want the unions to be on the defensive all the time.

The ATTORNEY GENERAL: Suppose we insert words to the effect that without the special leave of the court no more than one application shall be dealt with during the currency of the measure.

Hon. A. McCALLUM: I move an amendment—

That the subclause be further amended by the addition of the following words:—"It shall not be competent for the court to deal with more than one application affecting the same employees during the currency of this Act unless after granting special leave, and in no case shall more than one order for a reduction be made."

Mr. SAMPSON: The amendment means, I take it, that whatever reduction is made on an application, there can be no further application during the currency of the measure, whether the period be one year, two years, or three years. Earlier in the Bill reduction is limited to 20 per cent., including the recent reduction in the basic wage. The amendment might limit the reduction to the 20 per cent., but not to the reduction granted, whatever it might be, as only a trifling reduction might be granted. Many trades are in great difficulties because they are competing with the Eastern States, where awards and the basic wage are lower. The amendment should state that there shall be no further reduction if a reduction of 20 per cent. is granted.

The ATTORNEY GENERAL: The whole scheme is to secure a readjustment quickly and finally. I had in mind to deal with the matter once and for all, and not provide an opportunity for a number of bites at the

cherry. Having secured the reduction quickly, that should be accepted and the matter should be left at that. I certainly did not contemplate allowing employers going along to make application after application for reductions. The employer can secure only the reduction that is given to Government employees.

Mr. Sampson: If that is so, it would be quite satisfactory. But he might not be successful with his first application.

Mr. Panton: Then he would not have a case.

Amendment on the subclause put and passed; the subclause as amended agreed to.

Mr. KENNEALLY: I wish to move an amendment to embody in this part of the Bill the principle that was agreed to by the Attorney General in Clause 12, the effect of which was that no employee should have his remuneration reduced below the amount to which it would be reducible if he were an officer in the Public Service. I am not quite sure where I should move it.

The Attorney General: Have you noticed the latter part of Subclause 5 that we will deal with shortly?

Mr. KENNEALLY: I shall await the fate of the proposed new subclause the Minister refers to, and if it is defeated I may move the amendment then.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 2 of Clause 14:—“(2.) A copy of such notice shall be served by the applicant upon the industrial union concerned in such application as prescribed.”

Hon. W. D. Johnson: Will the Minister explain what is meant by the word “prescribed”?

The ATTORNEY GENERAL: It means either “prescribed by the Act” or it has a special meaning under the Interpretation Act as meaning prescribed by regulations by the Governor in Council.

Hon. W. D. Johnson: Why have a special provision? Why not use the recognised means under the Arbitration Act?

The ATTORNEY GENERAL: What would you propose?

Hon. W. D. Johnson: The subclause should provide that the notice shall be served by the applicant upon the industrial union concerned as prescribed under the Arbitration Act.

The Minister for Lands: It means that.

The ATTORNEY GENERAL: I do not know that that will affect the position. The Bill will be administered by the Registrar of the Arbitration Court.

Mr. Panton: At any rate, this merely means the prescribed form.

The ATTORNEY GENERAL: That is so.

Subclause put and passed.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 3 of Clause 14:—“(3.) Upon receipt of the notice the court shall appoint a day for hearing the application not less than three days after the receipt of the notice, but otherwise as soon thereafter as possible, having regard only to other specially urgent matters then pending in the Arbitration Court, and shall cause not less than three days' notice thereof to be given in the prescribed form to the applicant and the respondent.”

Hon. S. W. MUNSIE: Will the Minister agree to alter the period of three days mentioned twice in the new subclause by inserting 14 days in the first instance and seven days in the second? Under the regulations prescribed under the Arbitration Act provision is made for hearings to be spread over varying periods depending upon the area covered by a union. If it is within a radius of 200 miles, the time allowed is ten days, and if over 200 miles and less than 600 miles, the period is 60 days.

2 o'clock a.m.

The Attorney General: The day for hearing has to be less than seven days ahead, but the notice from the respondent to the applicant is to be not less than 14 days.

Hon. S. W. MUNSIE: Under ordinary conditions, when going to the court one requires some time. It is not fair for an employer to go to the court under these conditions.

The Attorney General: I do not mind extending the time to 14 days in the first place and seven days in the second. I will accept that.

Hon. S. W. MUNSIE: Then I move an amendment—

That in line 3 of the subclause the word “three” be struck out and “fourteen” inserted in lieu.

Amendment put and passed.

Hon. S. W. MUNSIE: I move an amendment—

That in line 7 the word "three" be struck out and "seven" inserted in lieu.

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

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 4 of Clause 14:—“(4.) On the hearing of the application the parties concerned may appear either personally or by their agents.”

Hon. S. W. MUNSIE: Does the word “agents” embrace solicitors?

The Attorney General: I do not think so.

Hon. P. Collier: I do not think so either.

The Attorney General: My intention is that it shall not include solicitors.

Hon. S. W. MUNSIE: I move an amendment—

That there be added to the subclause the words “in accordance with the provisions of the Arbitration Act.”

The Attorney General: I will accept that.

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

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 5 of Clause 14:—“(5.) If, on the hearing of the application the court is satisfied, whether of its own knowledge or otherwise howsoever, that the national emergency with which the State is faced justifies it in making an order for a reduction of rates of salary, wages, or remuneration prescribed in the award or industrial agreement in relation to which the application is made so as to bring them into accord with the reductions made under Part II. of the Act, the court may, notwithstanding the provisions of the Industrial Arbitration Act, 1912-1925, or any amendment thereof, or of any other Act or of any award or industrial agreement made thereunder, or of any declared basic wage to the contrary, make an order that the award or industrial agreement in respect whereof the application is made shall forthwith be varied so that the rates of salary, wages, or remuneration therein prescribed shall be reduced in accordance with the provisions of Part II. of this Act and the rates prescribed in the schedule hereto.”

Hon. P. Collier: This speaks of the national emergency. But there is nothing here to show that there is such an emergency.

The ATTORNEY GENERAL: I think there is a national emergency. The subclause gives the court credit for having taken an intelligent interest in current affairs and thus knowing that there is in fact a national emergency.

Hon. P. Collier: But how can the court of its own knowledge be cognisant of that? It is a most extraordinary subclause.

The ATTORNEY GENERAL: These are most extraordinary times. I want the court to be able to consider whether this thing ought to be done.

Mr. MILLINGTON: I will oppose the subclause. It is the most objectionable feature of the whole Bill.

The Premier: There is not much to object to in it.

Hon. P. Collier: It is the most extraordinarily sweeping thing in the world.

The Minister for Lands: Have you read the preamble to the Bill?

Mr. MILLINGTON: But this becomes a new instruction to the Arbitration Court.

The Minister for Lands: Only for this purpose.

Hon. A. McCallum: Only for fixing wages!

The Minister for Lands: Only for assisting industry.

Hon. P. Collier: Would you agree to the court dealing with interest “of its own knowledge and in a national emergency”?

Mr. MILLINGTON: This is an entirely new departure affecting private industry. The Attorney General stated that the basic wage is not fixed by any logical process, but I cannot agree with him. Part VII. of the Act defines the basic wage, evidence is tendered by both sides, and elaborate statistical data is produced. There is a formula on which the basic wage is definitely fixed. Lately a quarterly variation has been authorised on the Statistician's figures. Now it is proposed to give the court further instructions. The wording of the subclause is nebulous and will cause confusion and conflict. I assume that the Attorney General does not desire to reduce wages willy-nilly, but the subclause will mean that an employer may plead national emergency and ask for a further reduction. The employer will not have to show that his business has suffered because of the national emergency. Loss of business may not be due to that reason, and the greatest hunger could go to the court,

say the court was aware of a national emergency and claim a reduction. The subclause will shatter all previous conceptions regarding the conduct of arbitration. If the Government wished completely to shatter the principle of arbitration, this would do it. Since arbitration has been the law of Australia, there have been periods of national emergency, and it was never suggested that such a provision should be applied to private industry. The war was a national emergency, and it was accompanied by a drought in this State, but even then there was no suggestion of scrapping awards and agreements. Whatever reasons may be advanced by Governments who simply cannot pay, those reasons cannot be applied to industry, which is not in similarly necessitous circumstances. The one thing the Government propose to restrict under this Bill is the earning power of the workers. There would be some excuse for their attitude if the intention was completely to reform industry. If this becomes law, the effect will be disastrous. People will feel that the Industrial Arbitration Act has gone by the board. Nothing could do more to destroy confidence than a measure of this nature. There is not the same need to reorganise private industrial conditions as there is in the case of Government activities. The Arbitration Court is well equipped to arrive at common-sense decisions in dealing with the workers and employers. This amendment indicates that once the basic wage has been fixed, an employer has only to come forward on the plea that a state of national emergency exists to get an application before the court for a reduction in the wages paid in his industry. That is to be the new formula.

The Attorney General: The amendment says "with which the State is faced."

Mr. MILLINGTON: The wording of the amendment bears out what I have suggested—the court has to be satisfied that it is faced with a position of national emergency.

The Attorney General: No. The proposed subclause tells the court that the State is faced with a national emergency, and then the court will make an order if satisfied that it is necessary.

Mr. MILLINGTON: The industry might be flourishing, and the proposed subclause does not say that the court shall inquire whether it is or not. The depression might not apply to every industry.

The Attorney General: The court has a discretion. "May" does not mean "must."

Mr. MILLINGTON: Once this becomes law, every employer will be compelled to take advantage of it, because of competition, which will force all employers into line. The meanest and least competent employer will set the pace.

The Attorney General: The employer will have to produce such evidence as the court demands from him.

Mr. MILLINGTON: The amendment does not say so at all. National emergency will be the determining factor. If the court knows that a national emergency exists, can it possibly refuse the application of any employer to come under the reducing provision?

The Attorney General: Yes. It might say that the state of national emergency does not justify reduction of wages in the particular industry.

Mr. MILLINGTON: No discrimination is suggested in the amendment.

The Attorney General: Some things might be silly to do because of national emergency.

Mr. MILLINGTON: But the court will have to do this silly thing. There is no provision that an application shall be treated on its merits. Here we have a proposal for automatically reducing wages. It disposes of the Arbitration Court at one swoop. Who could satisfy a set of employees that a further 8 or 10 per cent. reduction of their wages under this proposed subclause was justified? It is one of the crudest and most dangerous things ever sought to be foisted on the community. I am solidly opposed to it.

Hon. A. McCALLUM: The Minister has talked about extraordinary circumstances requiring legislation of this description, but I regard this as the most extraordinary subclause ever suggested to be included in any Bill, and the Minister's explanation the most extraordinary ever heard in this House. All courts throughout the British Dominions are supposed to decide issues on evidence adduced. The Minister proposes that the court is to be satisfied "whether of its own knowledge or otherwise howsoever."

The Attorney General: There is such a thing as judicial notice.

Hon. A. McCALLUM: The Attorney General in the course of his remarks said that the court might take notice of reports in the Press. Does he seriously suggest that, and

that men's wages should be determined because of newspaper articles?

The Attorney General: I am seriously suggesting that the court in this instance could use its knowledge of current affairs.

Hon. A. McCALLUM: During many months past we have had the spectacle of political propaganda carried on through the columns of the Press. The object has been to create the proper atmosphere to enable members of Parliament to deal with various questions. When the Arbitration Act Amendment Bill was before us and the quarterly adjustment of the basic wage was to be considered, members can remember the propaganda that was indulged in through the columns of the "West Australian" morning after morning. When the proper atmosphere was created outside and inside this Chamber, the measure was dealt with. The same thing occurred in connection with the Workers' Compensation Act Amendment Bill, and now it is starting again on the question of the Federal basic wage. Let anyone try to get a reply to the propaganda, and he will find it is impossible to get space in the "West Australian." Consider the propaganda that has been indulged in regarding affairs in the Federal arena and with reference to the banking institutions. No answer is permitted to propaganda of that sort. Now we are asked to agree to the Arbitration Court being allowed to take cognisance of the political propaganda appearing in the Press. That propaganda is paid for; men are set aside to study the questions, and they publish articles framed cunningly and subtly. Now courts are to decide men's wages on political propaganda of that description! To have to put up with the cuts is bad enough, but to propose this sort of thing is simply atrocious.

The Attorney General: Would you be happier if the words you complain of were deleted??

Hon. A. McCALLUM: I would feel a bit more relieved. I think they are awful. The Attorney General told us that he felt forced to do these things that were most distasteful to him, to set aside convictions of a lifetime, and to advocate principles that he had never dreamt he would be associated with; yet he can ask us to approve of this sort of thing!

The Attorney General: I am not pleased with the inclusion of those words, and I will agree to their being deleted.

Hon. A. McCALLUM: I move an amendment—

That in lines 2 and 3 of the proposed subclause, the words "Whether of its own knowledge or otherwise howsoever" be struck out.

Amendment put and passed.

Subclause, as amended, put and a division taken with the following result:—

Ayes	..	..	..	21
Noes	..	..	..	17

Majority against .. 4

AYES.

Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piesse
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. J. I. Mann	Mr. North
Mr. McLarty	(Teller.)

NOES.

Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Panton
Mr. Cunningham	Mr. Raphael
Mr. Hegney	Mr. Sleeman
Mr. Johnson	Mr. Wansbrough
Mr. Kennally	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
Mr. Millington	(Teller.)

PAIRS.

AYES.	NOES.
Mr. J. M. Smith	Mr. Walker
Mr. Teesdale	Miss Holman
Mr. H. W. Mann	Mr. Troy
Mr. Richardson	Mr. Coverley

Hon. A. McCALLUM: I move an amendment—

That the following proviso be added to Subclause 5:—"Provided that the rate of wages or salaries so fixed shall not be less than a sum sufficient to enable the average worker to whom it applies to live in reasonable comfort having regard to any domestic obligations to which the average worker would be ordinarily subject.

I do not think any member can vote against that. We do not want any wage fixed which is going to condemn a man to live on a lower standard than that. It is not right that an industry or a nation should exist at the expense of the individual. The financing of a nation can be too expensive for the people. Those of us who have given a lifetime to the establishing of decent conditions for the workers are not inclined to depart from that standard without a struggle. Are we to have our people relegated to the level of gypsies? Obviously the condition of the

individual must be taken into account by the court.

The ATTORNEY GENERAL: The hon. member knows that the words proposed to be inserted constitute the formula in the Arbitration Act, and that if the Government were to accept the proviso it would render entirely negative the whole of the subclause.

Hon. A. McCallum: If that standard is too high, what standard are you going to take?

The ATTORNEY GENERAL: The question is whether the community can maintain that standard during this time of emergency. Although the Federal Arbitration Court adopts a similar standard, nevertheless to meet the present conditions it has departed from that standard to the extent of 10 per cent. It is impossible for me to agree to the proposed proviso. If I want Subclause 5 I cannot submit to the proviso, because they simply cancel each other.

Hon. A. McCallum: Without it there is nothing to direct the court to consider the question of the worker's domestic affairs at all.

The ATTORNEY GENERAL: The court has a formula which it works on. What we are saying to the court is, "Because of the national emergency we will allow you to depart from that formula to the same extent as a departure from that formula has been inflicted on the members of the Public Service." The moving of that proviso is an admirable way of registering the hon. member's protest, but I do not think he could have hoped that it would be accepted. The hon. member cannot think I am quite so green as to allow what I desire to be cancelled by his amendment.

Hon. P. Collier: He could not hope for that having regard to the solidarity of your party.

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

Ayes	..	..	..	17
Noes	..	..	..	21
				—
Majority against	..			4
				—

AYES.

Mr. Collier
Mr. Corboy
Mr. Cunningham
Mr. Hegney
Mr. Johnson
Mr. Kennelly
Mr. Marshall
Mr. McCallum
Mr. Millington

Mr. Munsie
Mr. Pantou
Mr. Raphael
Mr. Sleeman
Mr. Wainbrough
Mr. Willcock
Mr. Withers
Mr. Wilson

(Teller.)

NOES.

Mr. Barnard
Mr. Brown
Mr. Davy
Mr. Doney
Mr. Ferguson
Mr. Griffiths
Mr. Keenan
Mr. Latham
Mr. Lindsay
Mr. J. I. Mann
Mr. McLarty

Sir James Mitchell
Mr. Parker
Mr. Patrick
Mr. Piessie
Mr. Sampson
Mr. Scaddan
Mr. J. H. Smith
Mr. Thorne
Mr. Wells
Mr. North

(Teller.)

PAIRS.

AYES.
Miss Holman
Mr. Walker
Mr. Troy
Mr. Coverley

NOES.
Mr. Teesdale
Mr. J. M. Smith
Mr. H. W. Mann
Mr. Richardson

Amendment thus negatived.

Subclause, as previously amended, put and passed.

3 o'clock a.m.

The ATTORNEY GENERAL: I had a subclause on the Notice Paper providing that if the court granted an application, it might make it a condition of the order that the employer should reduce the prices charged by him to his customers corresponding with the reduction in the remuneration of his employees. The argument used by the Leader of the Opposition on the second reading convinced me that the subclause would not be effective. It would be quite impossible for the Arbitration Court effectively to control the prices charged by employers. I wish to make it clear that it is intended, wherever considered practicable, to guard against the holding up of prices when wages come down. I am not a believer in the efficacy of a price-fixing commission, but it is my opinion that with respect to certain commodities, the prices of which are kept up by combinations of vendors, measures can be taken to bring the prices down. As early as possible the Government will take steps in that direction.

Hon. W. D. JOHNSON: I should like to see the proposed new subclause relating to the fixing of prices adopted in a slightly amended form, unless we understand it is the definite intention of the Government to introduce effective measures to check profiteering resulting from legislation of this kind. If an employer gets the right to reduce the wages of his employees, he might not share with the community the consideration extended to him. This measure is based on an equality of sacrifice. The employer might get a 20 per cent. reduction in wages but there would be no obligation on him to give the community the benefit of that reduction.

The Premier: The court would not reduce the wages if the industry was paying.

Hon. W. D. JOHNSON: The trouble is that the court will not be required to consider the position of the particular industry. It has to take into consideration the national emergency. If as a result of our limitation of the court's review of the situation it is permitted to allow an employer to reduce the wages of his employees, we should see to it that this reduction is passed on to the public. How can we say under this measure that interest shall be reduced and that prices shall not be regulated? Can we not get an assurance that something will be done to prevent profiteering?

The ATTORNEY GENERAL: The assurance is given that the Government will bring down a measure to prevent, where possible, the charging of inflated prices by people who combine together to keep up prices. That is the undertaking we give.

Hon. W. D. Johnson: It would be a price regulation measure?

The ATTORNEY GENERAL: It will be a measure designed to prevent the exploitation of the public where it is suspected that this is happening.

[*Mr. Richardson resumed the Chair.*]

Hon. P. COLLIER: I welcome the assurance of the Attorney General. This paragraph is no good from that point of view, though there is necessity for legislation to deal with the matter embraced by it. Having regard for existing prices and costs I think the price of bread is a scandal. Those engaged in the baking industry are profiteering. The price is no lower to-day than it was when wheat fetched 5s. a bushel. Where is the money going? The master bakers fix the price with due regard to their profits. Are we going to allow any combination of men to charge what they like for bread? Is that right?

The Attorney General: No.

Hon. P. COLLIER: There is no such thing as competition over the price of bread.

The Attorney General: The only competition is that of small men and one or two rebels, who cannot get flour and have to do their own gristing.

Hon. P. COLLIER: If any baker is prepared to supply bread at a price below that fixed by the master bakers he can get no flour, because of the arrangement existing between them and the millers. The same

thing applies to milk, the price of which is fixed by the Dairymen's Association. Not one member of that organisation has ever seen a cow, or at all events, has ever milked one. All they do is to retail the milk they buy. I would pay a high price for either milk or bread if I knew the money was going to the actual producer. There are no more complete rings in the State than the Master Bakers' and the Dairymen's Associations. They will not pass on any reduction in wages. If this Bill becomes law neither of these organisations will bring down wages, because they want to maintain the present price of the commodities they sell. Their employees will come forward and say, "You must not argue for a reduction, because our boss is a good man."

The Attorney General: We will have a go at it.

Hon. P. COLLIER: I hope the Government will.

Mr. SLEEMAN: I believe the Attorney General will do all he says, but I fear that vested interests in another place will once more prove as strong as they were in connection with workers' compensation insurance.

Mr. MILLINGTON: Last year 'his Chamber adopted unanimously the finding of a select committee that inquired into the cost of living. I also accept the Attorney General's assurance that an anti-profiteering measure will be brought down, but I have more than a suspicion that it will not pass another place. There should be included in this Bill, which another place will receive with open arms, provision for an authority to attend to the other aspect, that the public shall not be exploited. The Arbitration Court has neither the time nor the knowledge to do that.

The Attorney General: I believe a Bill could be put up which would be as effective as anything, and which another place could not throw out.

Mr. PANTON: I consider the proposed subclause farcical. The policing of the provision would absorb all the unemployed; there are so many distributors of milk and bread alone. How is one to ensure that a large firm getting a reduction of 18 per cent. lowers its prices by 18 per cent.? A firm could cut down the price of all its rubbish by 40 per cent. for a single day, and thus show an all-round reduction of 18 per cent. The provision could not be enforced on

Boans, Foy & Gibson, and other similar firms. Policing is possible in the case of a firm selling one article, but impossible in the case of a firm selling numerous articles. For example, the average person does not know what sales tax should be charged on an article he is purchasing, and that is how the general public are exploited.

Hon. W. D. JOHNSON: I do not desire to argue the matter, but I know something about the price-fixing commission. The most effective reply to the member for Leederville in that respect is that there were numerous complaints. A great deal of my time was taken up in discussions with people who said that the commission was too exacting and doing its work too efficiently. Ultimately that feeling prevailed and the activities of the commission were ended. I admit there is always difficulty in administering principles, because there will always be those who will be able to get round them. I accept the assurance given us by the Minister that the question of price-fixing will receive attention because in those circumstances we may hope to secure endorsement for necessary legislation.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 7 of Clause 14:—“(7.) Where on any application for a variation of an award or industrial agreement as aforesaid the court is of the opinion that the same principles which have already been applied by it to a previous application under this section may properly be applied to such application, the court may make its order without hearing further evidence or argument.

Mr. KENNEALLY: The subclause imparts an entirely new principle to our legislation, and says that a court, without hearing evidence, may make up its mind. How would the court know that the circumstances were similar? Having made provision for an employer, or, on appeal, an employee, to go before the Arbitration Court, we must make provision for the court to determine issues on the evidence before it, not, as suggested, without evidence at all. Rather than that, I would prefer that no provision should be made for the parties to approach the court.

The ATTORNEY GENERAL: The idea is to place the State Court in the same position as the Federal Court, which, having heard arguments in a number of cases against a reduction, can say that it will not hear any further argument on similar cases unless they can be distinguished. Surely we require to have an end to litigation if

possible. The clause will be useful where particular cases are cited. The court will say to the union advocate, “How do you distinguish this case from the one we decided yesterday?” The advocate will state his point, after which the court, if it thinks the case is on all fours with the previous one, will refuse to recognise any distinction.

Mr. Kenneally: But the court may make an order without hearing further evidence and argument.

The ATTORNEY GENERAL: There would be argument as to whether the same principles applied in both cases. That would be the crux of the thing. I do not regard this as at all a dangerous clause, and it seems to me to be essential.

Mr. Kenneally: It is foreign to anything in the existing Act.

The ATTORNEY GENERAL: Yes, the whole of Clause 14 is quite foreign to anything in the Act. It is most necessary that it should go in.

Subclause put and passed.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 8 of Clause 14:—“No order shall be made for payment of costs.”

Subclause put and passed.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 9 of Clause 14:—“Every order made by the court under this Act shall be final and conclusive.”

Subclause put and passed.

[Mr. Angelo took the Chair.]

Hon. A. McCALLUM: I propose to vote against the whole clause. This asking of Parliament to interfere with the rate of wages paid by private employers is actually in defiance of the decision of the conference. It has not been done by any other Government in Australia. This Government are singling out employees in private businesses for special attack. The Attorney General tried to get the conference to agree with him on that, but they unanimously turned it down. The Premier himself said he would have nothing to do with it. He said, “I am of the opinion that we ought not to bother about outside matters, but stick to our job.” And a resolution was carried that the legal sub-committee should not be asked to prepare legislation as to wages in private employment. Yet in de-

fiance of that we are asked to pass a law which will reduce the wages of employees in private establishments. It is going entirely beyond the conference decision. I pointed this out on the second reading, and now I will vote against the clause.

Hon. W. D. Johnson: Another place will shoot it out.

Mr. KENNEALLY: The Attorney General told us that the object of the Bill was to enable Governments to balance budgets, but he has not attempted to show how the inclusion of private employees would assist to that end. By roping in private employees the Minister is acting contrary to the decisions of the Premiers' Conference. Apparently the main desire is to lower wages generally to a standard that will appeal to members on the Government side and to outside forces that have been clamouring for a reduction. If the Minister has any other reason for introducing this proposal, I should like to hear it.

The ATTORNEY GENERAL: Most of these questions have been thrashed out. My view has been that the foundation of this Plan was a reduction of wages. The Premier took the view that the question of outside wages would be reviewed in July and that the court could do all that was necessary. I challenged that view at the time, and it has since been made clear that the Arbitration Court is powerless to act in that direction.

Mr. WITHERS: I fail to see what the Government will gain if private employees' wages are reduced. If there was a move to tax wages so that the Government would get the benefit of the taxation or the reduction, there would be some reason for interfering. The wages of private employees have nothing to do with the Plan of the Premiers.

Mr. MARSHALL: I appreciate the hopelessness of opposing the Minister because he has his supporters well marshalled. To me it is strange that the workers should be the first to be attacked in a time of crisis, while quite a wealthy section of the community escape. The clause is far-reaching; it might apply even to the gold-fields. It can apply to any industry in the State. If a mine is not paying, the manager can take such steps to have the wages brought down as will put the mine on its feet. The provision will be most unjust in application, and the general public

will derive no benefit from it. I can well understand that the Government have been influenced by outside organisations in their desire to interfere with the Arbitration Court.

Mr. Panton: They will get their reward in Heaven.

Mr. MARSHALL. There is very little room there for such wicked people.

New clause, as amended, put and a division taken with the following result:—

Ayes	..	..	..	..	22
Noes	..	..	..	..	18

Majority for 4

AYES.

Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piesse
Mr. Ferguson	Mr. Richardson
Mr. Griffiths	Mr. Sampson
Mr. Keenan	Mr. Scaddan
Mr. Latham	Mr. J. H. Smith
Mr. Lindsay	Mr. Thorn
Mr. J. I. Mann	Mr. Wells
Mr. McLarty	Mr. North

(Teller.)

NOES.

Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Munsie
Mr. Coverley	Mr. Panton
Mr. Cunningham	Mr. Rappael
Mr. Hegney	Mr. Sleeman
Mr. Johnson	Mr. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Marshall	Mr. Witherers
Mr. McCallum	Mr. Wilson

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Teesdale	Miss Holman
Mr. J. M. Smith	Mr. Walker
Mr. H. W. Mann	Mr. Troy

Question thus passed; the new clause, as amended, agreed to.

Clause 15—Effect of order:

The ATTORNEY GENERAL: I move an amendment—

That in Subclause 1 the words "president of the" be struck out.

Amendment put and passed.

1 o'clock a.m.

The ATTORNEY GENERAL: I move an amendment—

That Subclauses 2 and 3 be struck out and the following inserted in lieu:—

(2.) When the court has made an order as aforesaid, the award or industrial agreement in relation to which the order is made shall forthwith be varied accordingly, and notwithstanding the provisions of any other Act or regulation, or of the said award or indus-

trial agreement, it shall not be lawful for any employee to whom the said order relates to demand, sue for, or enforce as against the employer in whose favour the order is made payment of salary, wages or remuneration at a rate in excess of that payable under the award or industrial agreement as varied by the said order whilst the same remains in force.

(3.) Any order made by the Court as aforesaid, and any variation of an award or industrial agreement made thereby, shall have effect only during the continuance of this Act.

Mr. PANTON: To what extent will Subclause 2, as now proposed, apply? Suppose there is a breach of an award pending when the Bill becomes law? How will the union proceed in respect of breaches? Is the Bill to be retrospective?

The Attorney General: No.

Mr. PANTON: Up to the date of an order reducing wages, the union can take action?

The Attorney General: Undoubtedly.

Hon. W. D. JOHNSON: If after the order for reduction of wages has been made, the employer defaults in carrying out the order of the court, I take it the employees cannot go to the court for protection.

The Attorney General: The court itself would make an order which would adjust the wages.

Mr. Kenneally: But take a case where the payments under the award are not made.

The Attorney General: Then an offence would be committed.

Hon. W. D. JOHNSON: The right of the employees to take action is limited.

The ATTORNEY GENERAL: That is not so. Prior to an order being made, certain rates of payment are prescribed. Failure to pay those rates will involve the employer in an enforcement application. After an order to reduce has been made, the position will be the same as now except that the rates of payment will have been varied as from the date of the order. The employer will only be able to excuse himself for not paying the old rates, by showing that the rates have been varied.

Hon. A. McCALLUM: If an employer took a union to court and got an order for reduction of wages, would he then be able to apply under the Arbitration Act for reduction of margins?

The Attorney General: I think so.

Hon. A. McCALLUM: That means that all workers receiving margins will have to stand up to two shots—the 18 per cent. all-

round reduction, and also the reduction in margins.

The ATTORNEY GENERAL: Technically, I think that could happen; but I think the employer would get short shrift in such a case. At this juncture I do not know how to draft an amendment to meet that position.

Mr. PANTON: I move an amendment—

That the following be added to proposed Subclause 3:—“Provided that an industrial union shall have the right to apply at any time for the cancellation or variation of any such order.”

The Attorney General: I have agreed to put a limitation to the operation of the measure.

Mr. PANTON: Suppose an employer goes to the court and obtains an order for a reduction or variation.

The Attorney General: I have already agreed to the proposal of the Leader of the Opposition in that respect.

Mr. PANTON: A union should have the right to apply to the court, which will itself decide whether it will vary an award or refuse the application.

Hon. W. D. JOHNSON: Under Subclause 7 of Clause 14, the need for taking applications separately has been deleted and the court has the right to say that evidence submitted in previous cases is sufficient, and automatically the decisions arrived at in those cases can be applied to later applications. Injustices may occur from time to time and the employees should have the right to approach the court to have them rectified. We are extending great privileges to the employers and, in the circumstances, the employees should have the right to protect themselves. The amendment is reasonable.

The ATTORNEY GENERAL: I would not say it is unreasonable but it does not seem to me to be necessary. The idea is to get a decision as soon as possible and not allow matters to run on. I am afraid it might lead to orders being made on Monday and unions applying for a variation on Friday. There would be no finality.

Mr. KENNEALLY: I do not think the Minister has taken quite a fair view of what the amendment proposes. The court may agree, at the time of application, that the position of an industry warrants relief. Six months later the industry may be in a flourishing condition. We should not agree to a provision that would enable that industry

to continue in a more flourishing condition because of the wages saved under the variation of an award. Good reasons would have to be advanced before the court would agree to opening the case again.

The ATTORNEY GENERAL: I am agreeable to the amendment being inserted, so long as it is made clear that the application can be made only by special leave of the court.

Hon. P. Collier: Yes, that is the principle we agreed to earlier.

Mr. PANTON: I will accept that addendum to my amendment.

The CHAIRMAN: Then the amendment will now read—

Provided that, by special leave of the court, an industrial union may at any time apply for a variation or cancellation of an order.

Amendment put and passed: the sub-clauses, as amended, agreed to.

Clause 16—Contracts of service may be varied by a commissioner:

The ATTORNEY GENERAL: Clause 16 is identical with Clause 15, except that the former applies to people who are not covered by the Arbitration Act. Certain amendments are necessary to bring the two clauses into conformity. It will be better to deal with the various subclauses separately. I move an amendment—

That all words after "Any," in line 1 of Subclause 1, be struck out and the following inserted in lieu:—"employer other than a body or person referred to in section twelve, or an employer referred to in section fourteen of this Act, who is employing any person or class of persons under a contract of service or in pursuance of any agreement to which the employer is a party, may at any time within twelve months after the commencement of this Act, by notice in the prescribed form, apply to a Commissioner appointed for the purposes of Part VI. of this Act for an order that the salary, wages or remuneration payable to the employee or class of employees of such employer may be reduced in accordance with the provisions of Part II. of this Act relating to officers, and in accordance with the rates of reduction prescribed in the schedule to this Act."

Hon. W. D. JOHNSON: Why is the Minister introducing a commissioner into these industrial matters? Since the Arbitration Court is to be recognised, why not make these matters subject to review by the industrial magistrates? They are experienced men, so why introduce a commissioner? I suggest to the Minister that he

strike out the word "commissioner" and insert "industrial magistrate."

The ATTORNEY GENERAL: I think the industrial magistrate has no claim in industrial matters, except in dealing with enforcement applications. He is versed in awards, but this provision has nothing to do with awards. The man whom we want to deal with is the man accustomed to considering the case for or against the variation of contracts. The commissioner I propose to appoint will not be inexperienced; I want to see a judge appointed as commissioner, since we cannot get the president of the court.

Subclause put and passed.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 2:—" (2) A copy of such notice shall be served as prescribed upon the employee or the other party to the agreement hereinafter mentioned, on behalf of the class of employees concerned in the application."

Subclause put and passed.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 3:—" (3) Upon receipt of the notice the Commissioner shall appoint a day for hearing the application not less than 14 days after the receipt of the notice, but otherwise as soon thereafter as possible, and shall cause not less than seven days' notice thereof to be given as prescribed to the applicant and the respondent."

Subclause put and passed.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 4:—" (4) On the hearing of the application the parties concerned may appear either personally or by their agents or solicitors."

Mr. KENNEALLY: Here we have again the reference to agents or solicitors. I thought the Attorney General did not wish to include solicitors.

The ATTORNEY GENERAL: But we are now dealing with people who are not organised, and they might well need the services and protection of a solicitor. The exclusion of solicitors from the Arbitration Court is because there we have organised unionism contending with organised employers. This portion of the measure is dealing with people not versed in industrial matters.

Hon. P. Collier: Innocent sort of people.

The ATTORNEY GENERAL: Yes.

Subclause put and passed.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 5:—“(5) If on the hearing of the application the Commissioner is satisfied that the national emergency with which the State is faced justifies him in making an order for a reduction in the rate of salary, wages or remuneration payable to the employee or class of employees in relation to which the application is made so as to bring them into accord with the reduction made under Part II. of this Act, the Commissioner may make an order that notwithstanding the provisions of any other Act or regulation or of any contract of service or agreement to the contrary, the rates of salary, wages or remuneration of the employee or class of employees to which the application relates may be reduced in accordance with the provisions of Part II. of this Act, and in accordance with the rates of reduction prescribed in the schedule to this Act.”

Subclause put and passed.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 6:—“(6) Where on any application for a variation of salary, wages or remuneration as aforesaid the Commissioner is of the opinion that the same principles which have already been applied by him to a previous application may properly be applied to such application he may make his order without hearing further evidence or argument.”

Mr. KENNEALLY: This again is dealing with cases containing the same principles, but in this instance it refers to the commissioner. I do not think the provision is necessary.

The Attorney General: I am afraid I must retain it there.

Hon. W. D. JOHNSON: It may be dangerous. Surely each application should stand on its merits here.

Mr. KENNEALLY: Most workers are organised and will come under the other provision. There is such a thing as a case being put up in a very weak form and, when the significance of it becomes realised, of efforts being made to counteract the effect.

The ATTORNEY GENERAL: I ask leave to withdraw the subclause.

Subclause, by leave, withdrawn.

The ATTORNEY GENERAL: I move—

That the following be inserted to stand as Subclause 7:—“(7) Every order made by a commissioner under this Act shall be final and conclusive.”

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

[Mr. Richardson resumed the Chair.]

Clause 17—Effect of order:

The ATTORNEY GENERAL: I move an amendment—

That Subclauses 2, 3 and 4 be struck out and the following inserted in lieu:—

“(2) When the Commissioner has made an order as aforesaid, the rates of salary, wages or remuneration of the employee or class of employees to which such order relates shall be reduced accordingly, and it shall not be lawful for any employee to which the said order relates to demand, sue for, or enforce as against the employer in whose favour the order is made, payment of salary, wages or remuneration in excess of that payable by the employer under the authority of such order whilst the order remains in force.

(3) Any order made by a commissioner as aforesaid, and the reduction of the rate of salary, wages or remuneration of employees allowed thereby, shall have effect only during the continuance of this Act.”

Mr. PANTON: I should like an assurance from the Minister that the same remark will apply to Subclause 2 of this clause as to Subclause 2 of Clause 15.

The Attorney General: I believe so.

Hon. W. D. JOHNSON: The Minister should give an employee the right to appeal for a cancellation or variation. That right is given to an industrial union under Clause 15. I move—

That the amendment be amended by adding the following proviso:—“Provided that, by special leave of the commissioner, any order made against any person may, on that person's application, be varied or cancelled.”

Amendment on amendment put and passed.

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

Clauses 18, 19, 20—agreed to.

Clause 21—Mortgagor may apply for reduction of rate of interest:

Hon. J. C. WILLCOCK: I hope this clause will be struck out in order that my proposal, of which notice has been given, may be adopted in lieu.

Clause put and negatived.

Hon. J. C. WILLCOCK: I move—

That the following be inserted in lieu of the clause struck out:—

“21. (1.) After the commencement of this Act no mortgagee shall be entitled to charge and receive interest under his mortgage at a rate exceeding seventy-seven and one-half per centum of the rate provided in the mortgage or five pounds per centum per annum

(whichever is the greater) unless and until he has obtained from a commissioner, appointed by the Governor for the purpose of this part of this Act, an order permitting him to charge interest at a higher rate.

(2.) An application for an order hereunder may be made, in the prescribed manner and after notice given to the mortgagor as provided in the regulations, and on the hearing of the application each party shall be entitled to be represented by any solicitor or agent selected by him, and the commissioner may either dismiss the application or (if special circumstances are proved to his satisfaction by the mortgagee) make an order permitting the mortgagee to charge such higher rate of interest (not exceeding that provided for in the mortgage) as the Commissioner shall declare to be just and reasonable having regard to the circumstances and to the economic and financial conditions prevailing in this State.

(3.) Such order shall have effect according to its tenor as from the date of the application.

(4.) An order may be made by the Commissioner for payment by either party of any costs in connection with any such application if the Commissioner shall be of opinion that such party has been guilty of unreasonable conduct in connection with the matter, and any costs so ordered may be recovered as a debt by action in any court of competent jurisdiction."

The ATTORNEY GENERAL: I offer no objection to the amendment.

Amendment put and passed.

Hon. J. C. WILLCOCK: I move an amendment—

That a subclause be added as follows:—"This section shall apply to mortgages heretofore executed, and shall have effect notwithstanding any agreement heretofore made."

The ATTORNEY GENERAL: A measure is on the Notice Paper, the object of which is to prevent a man from being deprived of reduced interest by having his money called up, and then finding himself at the mercy of the mortgagee.

Hon. A. McCallum: What about new mortgages?

The ATTORNEY GENERAL: It is useless to say that the interest on mortgages shall come down.

Hon. A. McCallum: You could fix a rate beyond which people could not go.

The ATTORNEY GENERAL: Yes, but that has not been done by any State in Australia.

Hon. J. C. WILLCOCK: What we intend is that for the future the interest on mortgages shall not exceed five per cent. If it were possible to obtain interest on

mortgages at six per cent. or seven per cent., no one would buy bonds that were paying only four per cent., and their value would depreciate. Ordinary interest could be limited to five per cent., and if any greater amount was required, an application would have to be made to the Commissioner. That is what we are aiming at.

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

5 o'clock a.m.

Clause 22—Effect of order:

Hon. W. D. JOHNSON: I move an amendment—

That in Subclause 3, after the word "order" there be inserted "shall be deemed to be embodied in the mortgage and."

These words are necessary.

Amendment put and passed.

Hon. W. D. JOHNSON: I move an amendment—

That the following be inserted to stand as Subclause 6:—"For the purposes of the preceding provisions of this section the limitation imposed by Section 21 shall be deemed to have been imposed by an order of a Commissioner."

This amendment has been suggested by Dr. Stow.

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

Clauses 23, 24, 25—agreed to.

New clause—Reduction of rents:

Hon. J. C. WILLCOCK: I move —

That the following be added to stand as Clause 26:—

"(1.) The lessee of any land may, by notice served on the lessor in the prescribed form, apply to a Commissioner at any time within twelve months from the commencement of this Act for a reduction of the rent payable under the lease of such land.

(2.) On the hearing of the application each party shall be entitled to be represented by any solicitor or agent selected by him, and the Commissioner shall, unless the lessor proves the existence of special circumstances, make an order reducing the rate of the rent to accrue due after the date of the application during the continuance of the lease by twenty-two and one half per centum.

(3.) If the lessor proves the existence of special circumstances the Commissioner may refuse to make any reduction or make such lesser reduction as in the circumstances he shall deem to be just.

(4.) Every such order shall have effect according to its tenor and shall be deemed to be embodied in the lease, and shall be final and conclusive.

(5.) The Commissioner may make an order directing the payment to any party by the other party of any costs connected with the application if he shall be of opinion that such other party has acted unreasonably, and such costs shall be recoverable as a debt by action in any court of competent jurisdiction.

(6.) In this section "lease" includes any tenancy agreement, whether in writing or not; "lessor" includes any tenant, and "lessee" any landlord, and "land" includes any land and premises of any description.

(7.) This section extends to leases heretofore or hereafter granted and shall have effect notwithstanding any agreement heretofore or hereafter made."

On the second reading I said that the one startling omission I had noted was the absence of any provision for reduction of rents. The Attorney General said the matter had been discussed at the Conference, but that each State had been left to take what action it thought fit. We should not deal with wages or capital, including interest on bonds or mortgages, without proceeding to the logical conclusion by including rents. If rents were to be allowed to remain as they have been, people would be encouraged to invest their money in property in preference to bonds or mortgages, and that would destroy the value of legislation we have agreed to. There has been a tendency for rents to come down during the past 12 months, but I want to stress the important effect rents have upon the economic life of the State. The question of rents is taken into consideration by the Arbitration Court in fixing the basic wage. If there were a reduction in rents to the extent agreed upon regarding interest on bonds and mortgages, it would bring the basic wage down by 4s. a week. The average rental nine months ago when the Arbitration Court fixed the basic wage was 22s. 8d. At the end of March this year—the latest figures published in the "Quarterly Statistical Abstract"—the average rental was reduced to 20s. 5d., showing a reduction of 2s. 3d. If the 22½ per cent. reduction were applied to rents, it would be reflected in the cost of living figures accepted by the Arbitration Court and it would mean a further reduction of rents to the extent of 2s. 6d., which would mean over £500,000 off the wages bill of the State. The cost of production would be affected accordingly. Quite apart from residences, we have to consider business

premises. Rent forms a portion of the cost of production and if we could secure a 22½ per cent. reduction in the rentals of business premises, the saving would be reflected in the prices charged. That would reduce the cost of living, which, in turn, would be reflected in the basic wage, resulting in the cost of production being brought down still further. Everything possible should be done to reduce production costs, and if we could secure an all-round reduction of 22½ per cent., as the Attorney General indicated was his idea at the Premiers' Conference, Australia would almost be in a position of being able to compete with any country in the world. Certainly it would provide tremendous relief to the agricultural industry. Two years ago when rentals increased by 3s. a week, and the cost of living was decreased by 1s., the basic wage was affected to the extent of 2s. Applied to 80,000 people, that increase of 2s. in the basic wage meant that £600,000 was added to the cost of production. In view of the importance the rent question bears to the economic life of the State, we should not pass a Bill that seeks to assist in the rehabilitation of our finances without dealing with rentals.

The Premier: You could apply what you suggest only to business premises that were leased.

Hon. J. C. WILLCOCK: Quite so, and it is those people that we desire to benefit. Each tenant would be deemed to be the lessee for the time being. The tendency towards lower rentals was largely instrumental in reducing the basic wage to the extent of 8s. a week at the end of the March quarter. If rentals were reduced 3s. a week, the Railway Department alone would be benefited to the extent of £60,000 a year.

The Premier: On wages alone?

Hon. J. C. WILLCOCK: Yes.

The Premier: Many of the men live in their own homes.

Hon. J. C. WILLCOCK: That does not alter the fact that the basic wage includes provision relating to the value of a home. The Treasurer will undoubtedly welcome any move that will reduce the expenditure of the Railway Department by £60,000, and that would be one of the immediate results following upon my amendment when the next basic wage was declared. Those in business are entitled to some relief in point of rent. The clearing house returns show that for the first six months of

1929 the business done amounted to £64,000,000; in the first six months of 1930 it had been reduced to £52,000,000, or a decrease of approximately 25 per cent., and for the first six months of this year the total was only £38,000,000. The turnover of the business people is very clearly indicated by the clearing house figures; it has gone down by about 45 per cent. So they have to make more profit, or they cannot pay their rents.

The Premier: The goods are much cheaper.

Hon. J. C. WILLCOCK: Yes, but those people are actually making less profits than they were before, and so it is really necessary to give them some relief in point of rent. Now I should like to turn to the balances in the State Savings Bank. In 1929 the deposits amounted to £8,394,000, and at the end of 1930, by the addition of £320,000 interest, we just managed to maintain our figures, whereas in every year for the previous ten years the figures had increased. Since the end of 1930 over £500,000 has been withdrawn from the bank. In the Commonwealth Savings Bank there is perhaps half as much again as in the State Savings Bank, and it has been subjected to a similar reduction. Altogether the depositors in the State and Commonwealth Savings Banks in this State have withdrawn about three-quarters of a million. A considerable proportion of that money has been withdrawn by people working on part-time, who cannot get sufficient income to carry on their ordinary domestic obligations. Consequently, it is safe to say that a good deal of the money withdrawn has been paid out in rent. So we see the serious state of affairs the State has drifted into. If we could afford relief by bringing about a reduction of rents, we should be doing very good work for those concerned, and would be reducing the cost of production by about £750,000, which would be of tremendous assistance. So it is an eminently reasonable proposition that we should include rent in these general reductions.

The ATTORNEY GENERAL: There is much to be said for the case submitted by the member for Geraldton. If I were able I would be pleased to accept the amendment though perhaps not in quite the form in which it is presented. I do not feel prepared to include in this measure at this juncture this new subject. I have tele-

graphed to the other States to ascertain whether they have included similar provision in their Financial Emergency Bills. I half hoped that one or two of them would have done so.

Hon. J. C. Willcock: So that you would have justification for doing it?

The ATTORNEY GENERAL: Yes, though I do not need much encouragement. I have had replies from four of the States—New South Wales does not reply to telegrams—and none of them has attempted to include rents. In asking the Committee not to include the amendment, I do not wish the member for Geraldton to think that that is the end of his proposal. The matter will be given very serious consideration. The hon. member knows my views of rent-fixing legislation. I believe it is hopeless, useless and vicious and does not work, but I think an admirable case could be made out for reducing rents on current leases. In many instances greedy men have declined to allow a reduction of rent on current leases, although they know the tenants are likely to go bankrupt and that somebody else will get the benefit of the reduced market rate.

Hon. J. C. Willcock: Many houses are empty and landlords cannot get tenants for them, but previously they refused their tenants a reduction of rent.

The ATTORNEY GENERAL: I cannot accept the amendment. I am not finally turning down the proposition, but I am not prepared to go as far as attempting rent-fixing for weekly tenancies.

Hon. P. COLLIER: I can understand the position in which the Attorney General finds himself. The speech of the member for Geraldton is worthy of consideration.

The Attorney General: It is.

Hon. P. COLLIER: It is unfortunate that it will not be known to the public, except to the few who read "Hansard." The hon. member made out a very good case, though I admit it will be difficult to insert the amendment in this Bill. I hope the Attorney General will bear in mind that this is an all-important question calling for separate legislation. Rent is an important factor in the cost of production, and we cannot allow people in the enjoyment of rents to be the judges of what the rents ought to be while we have prevented other people from saying what their income shall be.

Mr. GRIFFITHS: I support the remarks of the member for Geraldton and the Leader of the Opposition.

Hon. J. C. Willcock: If you and a few more supported the amendment, it would be carried.

Mr. GRIFFITHS: Bondholders in this city are holding back to see what will be done to compel rapacious landlords to do a fair thing. True, rents have been reduced, but only slowly and grudgingly. Some landlords have given their tenants a fair deal by reducing their rentals 20 to 30 per cent., but some will have to reduce them still more. The landlord must bear his part of the burden. It is regrettable that the Attorney General cannot make provision for rents in this Bill. I know of small shopkeepers who are being compelled to fulfil their lease conditions, and the landlords are drawing the last ounce of blood out of them.

Mr. RAPHAEL: I support the remarks of the member for Geraldton. His suggestions would help to overcome one of our most pressing difficulties. If house rents had been reviewed earlier in the trouble, many people would not have been forced into the Canning camp. Interest has been reduced and similar relief should be given to tenants, more especially as properties have depreciated so much in value.

Mr. KENNEALLY: I intend to vote for the amendment. At the Premiers' Conference the Attorney General wanted an all-round cut on a flat rate basis. The opportunity is now afforded to him to make provision for a reduction in house rentals. Wages will be affected so much by this and other legislation that it will be impossible for the workers to continue paying the weekly sums which have hitherto been demanded of them.

Mr. HEGNEY: This is a very important question for the workers in my electorate. Many of the people have been ejected from their homes because of their inability to pay existing rentals. Their incomes are being still further reduced, and it becomes imperative that these rentals shall also come down. I support the remarks of the member for Geraldton.

Hon. W. D. JOHNSON: The resentment over the attack on wages has been

toned down to a great extent by the attitude of the Attorney General on the question of interest and in one or two other directions. If he wants to soften this resentment still further, he should adopt the suggestion of the member for Geraldton. Before any legislation of this kind was thought of, a crying need existed for revision of rents. The previous Government attempted to regulate rents, which were pressing unfairly on the community. Though the cost of services has since had to be reviewed because of altered economic conditions, no organised effort has been made to deal with the rent question. A Fair Rents Bill passed this Chamber and was sent to another place some years ago, which fact shows the urgency of the question. Equality of sacrifice should extend beyond the recipient of interest to the recipient of rent.

6 o'clock a.m.

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

Ayes	..	..	..	..	19
Noes	..	..	..	..	21
					—
Majority against				..	2
					—

AYES.

Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Fenton
Mr. Coverley	Mr. Raphael
Mr. Cunningham	Mr. Sleeman
Mr. Hegney	Mr. Wansbrough
Mr. Johnson	Mr. Willcock
Mr. Kenneally	Mr. Wilson
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Griffiths
Mr. Millington	

(Teller.)

NOES.

Mr. Angelo	Sir James Mitchell
Mr. Barnard	Mr. Parker
Mr. Brown	Mr. Patrick
Mr. Davy	Mr. Piesse
Mr. Doney	Mr. Sampson
Mr. Ferguson	Mr. Scaddan
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. J. I. Mann	Mr. North
Mr. McLarty	

(Teller.)

New clause thus negatived.

Hon. P. COLLIER: I move—

That the following be added to stand as Clause 27:—"This Act shall continue in force till the end of the year 1932, and no longer."

New clause put and passed.

Schedule:

Hon. W. D. JOHNSON: I move an amendment—

That the Schedule be struck out, and the following inserted in lieu:—

Part I.—Rates of Reduction.

Grades of Salary.	Rates of Reduction.
Annual salary not more than £200 above the basic wage	Five pounds per centum.
Annual salary more than £200 but not more than £400 above the basic wage	Ten pounds per centum.
Annual salary more than £400 but not more than £600 above the basic wage	Fifteen pounds per centum.
Annual salary more than £600 but not more than £800 above the basic wage	Twenty pounds per centum.
Annual salary more than £800 but not more than £1,000 above the basic wage	Twenty-five pounds per centum.
Annual salary more than £1,000 above the basic wage	Thirty pounds per centum.

We contend that the rates of reduction proposed by the Bill—18, 20, and 22 per cent.—are neither equitable nor just. That a man on £251 should pay 20 per cent. while the man on £249 pays 18 per cent. is unreasonable. Still worse is it that the man on £251 should pay as high a rate as the man on £999. The amendment does not contain all we desire as to gradation of the rates of reduction. I would prefer something more along the lines of the schedule embodied in the Victorian Bill, but it is difficult for a private member to get sufficient information to frame such a schedule. The Government could undertake that task with the assistance of the Government Actuary, so as to arrive at a scientific and equitable scale. In the schedule we propose we start with 5 per cent. on salaries to £200 and rise by 5 per cent. on gradations of £200, till we reach 30 per cent. on salaries of more than £1,000. I shall not repeat what has been said earlier regarding the injustice of the schedule proposed by the Government but shall content myself with moving the amendment.

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

Ayes	..	..	..	17
Noes	..	..	..	21
				—
Majority against	..			4
				—

AYES.

Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Panton
Mr. Coverley	Mr. Raphael
Mr. Cunningham	Mr. Sleeman
Mr. Johnson	Mr. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
Mr. Millington	

(Teller.)

NOES.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piesse
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Keenan	Mr. Thorn
Mr. Latham	Mr. Wells
Mr. Lindsay	Mr. North
Mr. J. I. Mann	

(Teller.)

Amendment thus negatived.

Schedule put and passed.

Preamble, Title—agreed to.

Bill reported with amendments.

House adjourned at 6.8 a.m. (Friday).

Legislative Council,

Tuesday, 28th July, 1931.

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Bill: Hire-Purchase Agreements, Select Committee's report, Com.	4041

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

ASSENT TO BILL

Message from the Administrator received and read notifying assent to the Debt Conversion Agreement Bill.

LEAVE OF ABSENCE.

On motion by the Minister for Country Water Supplies (for Hon. C. H. Witte-noom), leave of absence for six consecutive sittings granted to Hon. W. T. Glasheen (South-East) on the ground of ill-health.