

Mr. Marshall: And Parliament has no control at all.

THE MINISTER FOR AGRICULTURE: The hammer is used for knocking down in all the abattoirs of Australia, and, I think, of America. In the Old Country, where the beasts are hand-fed and consequently very quiet, a humane killer is used, but it is doubtful whether it would be effective here, because most of our cattle coming from the stations in the North are very wild. They would object to a human being approaching them so closely as to make the humane killer effective. Nevertheless, the R.S.P.C.A. are desirous that that method should be adopted, and have undertaken to secure a humane killer from the Old Country. I have agreed to allow them to try it at Midland Junction when it arrives. It would be wrong to perpetuate a system that permitted any unnecessary or avoidable cruelty, and I would not be a party to it. I am quite satisfied that the hammer, in the hands of an expert, is effective and is unaccompanied by unnecessary cruelty. I am sure the Bill will appeal to members as a genuine attempt to prevent unnecessary cruelty to animals slaughtered in the public abattoirs. I move:

That the Bill be now read a second time.

On motion by Mr. Millington, debate adjourned.

House adjourned at 5.38 p.m.

Legislative Council,

Wednesday, 5th August, 1931.

	PAGE
Question: Wheat, bulk handling	4241
Leave of absence	4241
Obituary: R. G. Ardagh	4241
Bills: Financial Emergency, 2B.	4242
Trustees' Powers, 1B.	4277
Mortgagees' Rights Restriction, 1B.	4277

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

QUESTION—WHEAT, BULK HANDLING.

Hon. G. W. MILES asked the Minister for Country Water Supplies: 1, Has his attention been drawn to a statement by the Minister for Works, appearing in the "West Australian" of 4th inst., in reference to the bulk handling of wheat, wherein it is stated "the necessary legislation was now in course of preparation, but if the advance were received, operations would go right ahead without waiting for its passage through Parliament"? 2, Have the Government read Mr. J. J. Poynton's view on the above question? 3, If so, will the Government give Parliament an opportunity to discuss the question before committing the country to this expenditure?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, My attention has been drawn to the statement referred to. 2, I cannot answer for all members of the Government, but I have personally perused Mr. Poynton's remarks. 3, Yes.

LEAVE OF ABSENCE.

On motion by Hon. Sir William Lathlain (for Hon. J. Nicholson), leave of absence for six consecutive sittings granted to Hon. A. Lovekin (Metropolitan) on the ground of ill-health.

CONDOLENCE—RICHARD GEORGE ARDAGH.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.33]: I move—

That this House desires to place on record its appreciation of the public services rendered to the State by the late Richard George Ardagh, a late member for the North-East Province, and to express its deep sympathy with the widow and family in the irreparable loss they have sustained by his death; and that the President be requested to forward the foregoing resolution to his widow.

I am sorry to say that in the last few days death has claimed a gentleman—and a true one—who for many years occupied a seat in this Chamber. I refer to the late Richard George Ardagh, who was elected as a representative for the North-East Province in May, 1912, and continued as a member until 1924. The late gentleman was an old miner, and that occupation particularly fitted him

to represent the goldfields areas in the fullest sense possible. During the 12 years in which he was a member Mr. Ardagh impressed all with his fine characteristics. He was a man whose every action was guided by strict conscientiousness. He always pursued with courage and tenacity the course that he believed to be right, and he brought to bear upon all questions that engaged his attention a wide experience and a ripe judgment. As previously stated, he came to us from the mines and I do not hesitate to claim that those old working places of the late gentleman could not have been better represented in this House. He also rendered great service to the people in many other respects, particularly on the Racing Restriction Bill. Mr. Ardagh was always faithful and loyal in his undertakings and friendships. He was a man for whom I conceived a great respect almost from the first time I met him, and my regard for him increased with the passing years. My experience, I feel sure, was the experience of every other member of the House. We all deplore his death, and our hearts go out in sympathy to his widow and his large family of ten children.

HON. E. H. HARRIS (North-East) [4.36]: I second the motion, and wholeheartedly endorse the remarks of the Leader of the House. It was my privilege and pleasure to serve as a member for the North-East Province with Mr. Ardagh for four years, during which time I found him thoroughly conscientious, and a good representative of the province. He always espoused the cause of the goldfields. Prior to his entering this Chamber, and subsequently, he took an active part in industrial matters and wielded great influence with industrialists on the goldfields. His was an example which might well be followed by many others. I deeply regret the necessity for this motion. The late Mr. Ardagh served his province exceptionally well, and his death will be regretted by many goldfields residents.

HON. J. CORNELL (South) [4.37]: I endorse the remarks which have been made by the Leader of the House and Mr. Harris. The late Mr. Ardagh and I were returned to this Chamber on the same day for adjoining provinces. My acquaintance with him was a close one, and endured for a matter of 30 years. I can best sum up the deceased gentleman by saying he was a man without

bias or malice, and never did anyone a bad turn or an injury.

THE PRESIDENT: Before putting this motion, I should like to say that I knew Mr. Ardagh for nearly a quarter of a century. For 12 years of that time I was closely associated with him as a fellow member representing the goldfields. I can endorse everything that has been said this afternoon concerning him. He was a man of very kindly disposition, of upright character, and was much liked and appreciated by those who knew him best. Furthermore, he always did his duty to the best of his ability, that duty being to the State and the province he represented. I ask members to carry this motion in the usual way.

Question put and passed; members standing.

BILL—FINANCIAL EMERGENCY.

Second Reading.

Debate resumed from the previous day.

HON. G. W. MILES (North) [4.41]: I intend to support the second reading of the Bill but regret it has been so long delayed. It should have been brought down at least a year ago. Now that we have it before us, I find I am not in accord with all that it contains. The Government have not arranged the spread of reductions as they should have done. I have always advocated a reduction of 33½ per cent. down to 10 per cent. We have, however, been told that it was impossible to make reductions to that extent and arrive at an average reduction of 20 per cent. The Minister has told us the number of employees in each section of the Government service who will be affected. I will assume that his figures are correct. In the case of 12,037 persons drawing under £250 a year (each being reduced 18 per cent.), the total salary received by them amounts to £1,733,408. The reduction in that section will mean a saving of £312,013. Three sections only are proposed under the Bill, but I hope the House will agree to make four sections of them. In the second section 6,763 employees are shown as drawing £2,166,974. It is proposed to reduce these by 20 per cent., which will mean a saving of £433,395. There are 401 people drawing altogether £227,972, and the proposed reduction of 20 per cent. will mean a saving

of £45,594. The lowest section receives an income up to £250, the next between £250 and up to £500, and the next from £500 up to £1,000, and the next £1,000 and over. In the fourth section, there are 43 drawing over £1,000 a year, and the proposed reduction of 22½ per cent. will mean a saving of £10,945, making a total saving of £801,947.

The Minister for Country Water Supplies: How do you get that?

Hon. G. W. MILES: That represents the 22½ per cent. you profess to save. The total amount paid to the 43 officers I have referred to is £48,645. It is said that we cannot arrive at the amount required to be saved if we allow the men on the lower rungs of the ladder a smaller reduction. My proposal is that instead of 18, 20 and 22½ per cent. for the three grades provided for in the schedule, we shall substitute a grade consisting of those receiving under £250. For them I propose a reduction of 16 per cent., instead of 18 per cent., and under that heading we would get £227,345. The next grade would represent those receiving from £250 to £500 and I propose that they shall suffer a reduction of 21 per cent., an increase of 1 per cent. on that suggested in the Bill. From that grade there would be a saving of £455,064. The third section would represent those receiving from £500 to £1,000. Instead of a 20 per cent. reduction, my proposal is that they should suffer one of 24 per cent., which would give us £54,713. The fourth section would comprise those receiving £1,000 and over, and I propose that they should suffer a 30 per cent. reduction, which would mean £14,593, making a total saving under my scheme of £801,715. There is a difference of £232 between the savings of the two schemes. I hope hon. members will assist me to secure an amendment of the schedule along the lines I suggest, when we deal with it in Committee.

The Minister for Country Water Supplies: You have not considered the incidence of taxation.

Hon. G. W. MILES: In what way?

The Minister for Country Water Supplies: The lower paid men do not pay any taxation.

Hon. G. W. MILES: The argument has been put forward against the Government of this State that in proposals such as these they are hitting the worker. I have discussed this matter with unionists and workers. A railway man pointed out to me that the railway service had been retrenched to

the extent of 2,000 men. On top of that, work has been rationed to the extent of one week in every five. In the face of that, the railway men ask, "What has the administrative staff done?" I ask the House that question, too. We have reduced our salaries by a paltry 10 per cent. The Government and members of Parliament generally should be ashamed to think that they have not given a lead to the people. This kind of legislation is causing dissatisfaction from one end of Australia to the other, and it is time this Chamber showed that it is willing to call upon those receiving higher salaries to make at least a decent sacrifice.

Hon. V. Hamersley: They have been bleeding us pretty well.

Hon. G. W. MILES: They have not been bleeding the hon. member at all. Members of Parliament increased their salaries from £200 to £400, and then to £600, without asking the consent of the electors at all. Parliamentary salaries should be reduced at once to the basis of £400 per annum. Those men who stand up in their places in Parliament or on soap boxes and declare that they are out to represent the workers are talking with their tongues in their cheeks. If they are representatives of the workers, now is the time to show it. They can demonstrate whether they are prepared to make a sacrifice and agree to their salaries being reduced to £400 per annum. That amount is ample for any member of Parliament, in view of the conditions facing us to-day. We will shortly have an opportunity to deal with another Bill, and I hope I will receive assistance in my endeavour to reduce Ministers' salaries and those of highly paid officials by 33 1/3rd per cent. Apart from Ministers, there are 80 members of Parliament whose salaries should all suffer a reduction of 33 1/3rd per cent. The saving under that heading would give us an additional £11,200. That would go a long way towards helping in the present crisis. Every £1,000 that is saved means so much more with which work can be provided for those now unemployed. It will assist to create additional work and will do much good. The figures quoted by the Government show that the salaries paid amount to £4,176,999, and the percentage reductions, as set out in the schedule to the Bill, show that the saving would amount to £801,947, which is £34,000 less than an average reduction of 20 per cent. on the total amount. I do not know how that

£34,000 is to be made up. The 20 per cent. of that total, as quoted by the Minister, is £835,399. According to the basis set out in the schedule, the saving is £801,947. I hope the House will agree, when I give them the opportunity in Committee, to alter the percentage reductions along the lines I have indicated. If we do amend the schedule, it will mean that alterations will have to be made to Part II. of the Bill in which there is reference to the salaries to be reduced. It will be necessary to amend the clause concerned by deleting references to 18, 20 and 22½ per cent., and substituting 16, 21, 24 and 30 per cent. There is another portion of the Bill with which I do not agree, and I hope members will agree to strike it out. The paragraph I refer to appears in the proviso to Clause 7, and reads—

The salary of an officer whose salary exceeds £250 per annum shall not be reduced below £205 per annum; and the salary of an officer whose salary exceeds £1,000 per annum shall not be reduced below £800 per annum.

Then again, I take exception to the next paragraph—

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 rate of salary of an adult female officer shall not be reduced below a rate of £100 per annum.

I do not see the necessity for those paragraphs, and they should be deleted. I cannot understand why £185 was included in that paragraph. It works out at £3 11s. 14/5d. If any amount is to be fixed, it should at least be the Commonwealth basic wage rate.

Hon. E. H. Harris: Did not the Commonwealth insert that amount in their Bill?

Hon. G. W. MILES: Perhaps they did.

Hon. C. B. Williams: You want to become a unificationist!

Hon. G. W. MILES: I do not want anything of the sort.

Hon. C. B. Williams: Then why not take the State basic wage?

Hon. G. W. MILES: It is too high. If the hon. member wishes to get more men back to work, the only way to achieve that end is to bring the rates of wages down, so that we can compete with other portions of Australia.

Hon. C. B. Williams: I have already told you that is ridiculous.

Hon. G. W. MILES: In the hon. member's opinion it may be, but it is not ridiculous at all. It is the only way, and if the

Bill had not been amended in the Legislative Assembly, employers would have been given the right to reduce wages 20 per cent. and that would have enabled a number of industries to be re-started to-day.

Hon. C. B. Williams: Utter rot!

Hon. G. W. MILES: It is nothing of the sort. I have it on the assurance of men who control industries that such is the position, and there are numbers of men who are prepared to take work at 10s. a day.

Hon. C. B. Williams: You will want them to do it for 2d.

Hon. G. W. MILES: Men will be lucky if the basic wage is not below 10s. very shortly. We have not reached the bottom of the present crisis, and the worst of it is yet to come.

Hon. V. Hamersley: Hear, hear!

Hon. G. W. MILES: Timber mills could be started to-day if the companies had the right to employ men who are willing to work for 10s. a day.

Hon. C. B. Williams: Fetch the niggers in!

Hon. G. W. MILES: That is not necessary at all.

Hon. C. B. Williams: Yes, it is.

Hon. G. W. MILES: The hon. member talks about fetching in niggers. He is one of the members of Parliament who is not prepared to assist me in reducing the salaries of members of Parliament. Yet he places himself forward as the representative of the workers. He is not willing that his own salary shall be reduced. So long as we retain our present salaries, we are helping to create more unemployment. If all those in employment to-day had their wages or salaries reduced 50 per cent., they would be doing very well.

Hon. C. B. Williams: What about interest matters?

Hon. G. W. MILES: Interest rates are being reduced. In proof of that, I would point out that yesterday a statement appeared showing that the Associated Banks had renewed loans representing over £20,000,000, and had saved the Commonwealth over £400,000 in reduced interest rates.

Several members interjected.

The PRESIDENT: Order! Allow the hon. member to proceed with his speech.

Hon. G. W. MILES: If the Bill gave the private employers the same right as the Government have to reduce wages by 20 per cent., there are thousands of people who could be employed at once. Members of Par-

liament have an opportunity here to show that they have the interests of the workers at heart. Mr. Williams has been interjecting a great deal, and if only he and his party would do their part and assist us to get over that difficulty, much good would result. Are members of Parliament agreeable to the reduction of their salaries to £400? Are they prepared to represent anyone but themselves? Here we have Trades Hall secretaries receiving their usual salaries, travelling expenses and motor cars.

Hon. E. H. Gray: That is bunkum.

Hon. G. W. MILES: It is not bunkum, unless the position has changed in the last month.

Hon. C. B. Williams: This information is from the man that knows.

Hon. G. W. MILES: Yes, I have it from a good unionist. I am not the man that knows, but the unionist gave me the information. When the railway man I have in mind asked me what the administrative staff had been doing, I asked him what his union secretary had done. He replied that that matter would be brought up at the union meeting that night. The union secretary received £600 a year, 30s. a day travelling expenses, and a free motor car. It is about time unionists and the unemployed woke up to the fact that these men who are supposed to represent the workers are putting it over them, and instead of representing the workers are representing themselves.

Hon. W. H. Kitson: The hon. member does not know what he is talking about.

Hon. G. W. MILES: I do, and if the so-called representatives of the workers in this House will not assist the Government to reduce expenditure, there will be a sorry day for them later on.

The PRESIDENT: Order! Did I understand the hon. member to imply that some members of this Chamber are imbued with improper motives in that they represent themselves? The hon. member knows that that is quite unparliamentary.

Hon. G. W. MILES: I do not wish to be unparliamentary in my remarks.

The PRESIDENT: I am sure the hon. member does not wish to impute improper personal motives to any member of this Chamber.

Hon. G. W. MILES: No, I do not wish to do that, and if I have said anything that is unparliamentary, I withdraw it. Every time some hon. members talk about representing

the workers, they should ask themselves whether they are really doing that, and they should show their bona fides by being prepared to see that the man receiving the higher rates of salary shall make a sacrifice, and so help those on the bottom rungs to save a bit of their wages.

Hon. C. B. Williams: You want to reduce the wages of the bottom dog to 10s. or less. You are a fine representative of workers!

Hon. G. W. MILES: They should be happy to get 10s. a day, because there are 12,000 unemployed workers who are not getting it.

Hon. C. B. Williams: That result has followed upon your methods.

Hon. G. W. MILES: They are not my methods at all. I shall refer to some questions I asked regarding unemployment. While you were absent, Mr. President, I wanted to ask some questions, but I was told that the form in which I originally put them was more in the nature of a speech, and I could not ask them as I intended. I have been criticised for saying that the civil service should have their salaries reduced by half. I stated also that the service should have their own representative in Parliament. I still contend that rather than have politics run on the party system, and each party bidding for the service vote, the service should have their own representative here. I want every right thinking member of the service to realise the position we are in and that I am out to assist everyone. One member of the service in receipt of a salary of between £1,500 and £2,000 a year told me some time ago that if the rest of the community were prepared to make sacrifices, he would not mind giving up £1,000 a year for a year or two or until we got over the crisis.

Hon. C. B. Williams: Did that chap die?

Hon. G. W. MILES: No: he has been promoted. But let me read this to members—

In reply to civil servants' criticism (published in your issue of the 25th May) of my views expressed at Carnarvon which were naturally abbreviated in your report of my speech, I stated that 30 per cent. of the population of Australia was unemployed, and if 55 per cent. (which included politicians, civil servants, unionists, and salaried people) had their salaries cut in half they would be better off than the rest of the community. This I still maintain is a fact, as the balance (15 per cent.) of primary producers and other employers who previously employed the 30 per cent. (now unemployed) were making a

thousand or two a year, and putting that amount back into industry, thereby creating more wealth and work for the community. Those men are now losing more than a thousand a year.

Primary producers work from daylight to dark to maintain an overmanned civil service, and to allow city dwellers to live in luxury. For instance (1) 2,000 railway men have been retrenched and (2) without a tropical allowance a pastoralist does half a day's work before a civil servant is out of bed, and has to return to his homestead by 9 a.m. if he wishes to get into touch with the outside world by telephone. I quite agree with "Civil Servant" that Mr. Holmes' views are correct and that all politicians should be shot at dawn and a dozen businessmen appointed to run Australia. If this could be brought about the service would be reduced by half. There would be no unemployment, and private enterprise would develop the country. Everyone would pay 20s. in the pound, and we should have a happy and prosperous community.

I suggest that we should alter the whole system and allow a dozen business men to carry on the administration instead of each party bidding for the votes of the people so as to get into Parliament.

I have always advocated members of Parliament reducing their salaries by at least 33½ per cent.; in fact, personally I am opposed to payment of members, as is shown by my speeches in "Hansard" during the past 14 years.

Hon. W. H. Kitson: Whose views are you quoting?

Hon. G. W. MILES: This is my own reply to criticisms published in the Carnarvon newspaper.

During my last election campaign I definitely stated that the economic factor would govern Australia in the future—not party politics. This has been proved by the Loan Council and Premiers' Conference now sitting in Melbourne.

On the 12th May I asked a series of questions dealing with the increasing unemployment and the continued serious drift in the State's finances. Those questions read—

(1) Will the Government immediately reduce the salaries of Ministers and the allowances to members of Parliament by 33½ per cent.?

(2) Will the Government introduce legislation to reduce the numbers of members of the Legislative Assembly to 30 and of the Legislative Council to 20?

(3) Will the Government introduce a measure to reduce the salaries of civil servants on a graduated scale from 33½ per cent. to 10 per cent.?

(4) In order to bring down the cost of production, and with a view to absorbing the unemployed, will the Government give Parliament an opportunity (a) to amend the Workers' Compensation Act to the basis of benefits conferred thereunder before its amendment in 1912, and (b) introduce a Bill to suspend the functions of the Arbitration Court and its awards?

(5) To effectively cope with unemployment and to assist wheat growers, will the Government bring in an emergency Bill at once to impose a tax of 6d. in the pound on all incomes and wages without exemption, such to be collected by stamps as is now done under the Hospital Fund Act?

Those questions showed that it was not my desire that the man on the lower rung of the ladder should bear more than his fair share of the sacrifice. I went on to say in my reply to "Civil Servant" that some of my best friends were in the service and the right-thinking ones recognised that everyone had to play the game in this crisis. I added that had the situation been faced in June, 1930, as I then advocated, Australia would not be in the awful position in which she finds herself to-day.

Hon. C. B. Williams: They ought to appoint you dictator.

Hon. G. W. MILES: Yes, and if I had the opportunity I would straighten up some of the people. There is another point to which I wish to refer, but in respect of which there is no mention in the Bill. I understand, however, that it will receive attention by way of Federal legislation—I refer to fixed deposits. I think there might have been a clause in the Bill before us to give banks power to reduce their interest rates on fixed deposits. Legislation to carry out this is necessary, and if it cannot be done in the Bill we are now discussing, we should get an assurance from the Minister that steps are to be taken to pass such legislation in the Commonwealth Parliament. A person who has placed money at fixed deposit has no more right to continue to receive the existing rates of interest than has any other section of the community. With regard to wages during the present crisis, the fixing of these should be left absolutely to the court, that is if we are to continue to have the Arbitration Court.

Hon. J. Cornell: They would shoot you if you removed the court.

Hon. G. W. MILES: And we would deserve to be shot if we continued to run the country as we have done in the past. We are dealing with a financial crisis, and this is

emergency legislation that is before us, and the position we are in is going to last two or three years, if not longer. I wish to see the last clause of the Bill amended. It says, "This Act shall continue in force to the end of the year 1932, and no longer." That is no good. It should continue for three or four or even five years.

Hon. G. Fraser: Kathleen Mavourneen.

Hon. G. W. MILES: Yes, it might be. The proviso to Clause 14 reads—

Provided 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 granted special leave, and in no case shall more than one order for reduction be made.

It has been said that the court may be able to take one case and decide the basic wage, otherwise it will take a year or more before people can get to the court for their adjustments. The object of the legislation is to bring about relief and create more work at once. That is a point I hope the House will consider before the Bill goes through the Committee stage. The present times are not normal. They were normal when members increased their salaries from £400 to £600. Members should now stand up like men and declare that they are prepared to take less, or accept what they previously received. The cost of living is down 15 or 20 per cent. now, and in spite of that it seems that members must have their full salaries, no matter how many people are unemployed.

Hon. C. B. Williams: Speak for yourself.

Hon. G. W. MILES: I am the only person for whom I can speak, but I am sorry that there are not more members who are of my frame of mind.

Hon. C. B. Williams: You are only worth £400.

Hon. G. W. MILES: It is not a question of what a member is worth; we must realise that we cannot pick sovereigns off gooseberry bushes in these times.

Hon. C. B. Williams: There is the printing press.

Hon. G. W. MILES: That is the hon. member's idea, and also Mr. Curtin's scheme. I say nothing now about other Federal members, because we do not know what their views are to-day. Therefore, the less said about them the better. The same Clause 14 of the Bill sets out—

If on the hearing of the application the court is satisfied that the national emergency

with which the State is faced justifies it in making an order for the 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 2 of the Act, . . .

That part of the clause should be deleted. If we get the other clause out, this should come out also, but if we do not get it out, the part that I have read should certainly be excised. It amounts practically to a notification to the Arbitration Court not to bring wages down, no matter what the position may be. Of course we would all be pleased if the basic wage did not come down below 10s. a day. The only way to keep it from coming down is by the higher salaried people being prepared to accept reductions.

Hon. E. H. Harris: What would be the position if you took out that clause?

Hon. G. W. MILES: As I understand it, the court would be influenced by the existing emergency or what was being done in the Federal sphere. The clause continues—

. . . 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 . . .

Hon. E. H. Harris: You will have to alter Part II. if that amendment is made.

Hon. G. W. MILES: That is what I want to do; I want to delete the £185.

Hon. C. B. Williams: You want to put us all on rations.

Hon. G. W. MILES: No. If the hon. member represents the worker, the man on the bread line, he will support me in my amendments. Clause 16 says—

. . . 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.

Another deletion should be made there, because it is an indication to the court not to go below the £3 11s. 1d. It is absolutely necessary, as the President of the Arbitration has said, that Parliament should give a lead in the matter. At this stage the standard of living for a man, wife and two children cannot be maintained. In order to reach that standard it is necessary that the pay of those on the higher rungs of the ladder should be reduced. In that case the employers in the timber industry would be able to re-open a couple of mills, thus giving increased traffic to the railways and increased business to the wharves.

Hon. G. Fraser: Do you believe in giving a direction to a supposed court of justice?

Hon. G. W. MILES: In this time of emergency it is the duty of Parliament to give a lead to the court, and also a lead to every part of the community, by members themselves making sacrifices. Business heads, for instance, have lost the whole of their incomes. As regards taxing the man on £2,000 a year, I would go further still. Let me point out that last year the New South Wales Railways Commissioner voluntarily reduced his own salary by 50 per cent., from £5,000 to £2,500 per annum. Mr. Lang has gone too far, but there is some method in his madness.

Hon. W. H. Kitson: Are you following in his footsteps?

Hon. G. W. MILES: No; but I am talking sound common sense, though some members do not seem to realise it. The Schedule should be amended to read—salary not exceeding £250, 16 per cent.; salary exceeding £250 but not exceeding £500, 21 per cent.; salary exceeding £500 but not exceeding £1,000, 24 per cent.; salary exceeding £1,000, 30 per cent. This would make a spread of 14 per cent. instead of $4\frac{1}{2}$ per cent. as contained in the schedule. Then the object of the Government would be achieved, and the man on the lower rung of the ladder would be given a chance. I hope my amendments will be supported in Committee. I support the second reading of the Bill.

HON. E. H. HARRIS (North-East) [5.20]: This Bill asks us to give effect to a decision of the Premiers' Conference, and to honour the signatures of the Prime Minister and the State Premiers, including that of the Premier of Western Australia. The Bill purports to do three different things—to meet the grave financial emergency, to establish financial stability, and to restore industrial and general prosperity. Whether the passing of the measure will achieve all its sponsors forecast, remains to be seen. The operation of the Bill is limited to a period of 18 months. I cannot make myself believe that Australia will be restored to economic health within that term. The measure presupposes that prosperity will return, and that salaries, wages, and allowances existing to-day, but now about to be reduced, will be restored, at the end of 18 months. The man who really thinks that such a thing can be achieved is a pure op-

timist. In view of present conditions and current happenings one must realise that pious resolutions are of no avail and that something must be done. Long ago financial authorities had agreed that Australian costs must come down. We have had such a statement not only from men outside the political arena, but also from the Premiers and from the Opposition Leaders. This Bill represents one of the methods considered necessary in order to reduce costs of production. Certainly those costs in Australia are out of alignment with the costs in other countries. Before we can restore prosperity, we shall have to reduce costs by some means, so that we may be able to compete with people overseas. My opinion is that all costs and values in Australia will have to be reduced before the rate of exchange, which is hitting Australia so hard, can be brought back to normal. I believe that this House must pass the present Bill just as it passed the Debts Conversion Bill, which I described as an interest repudiation measure. There being no alternative but to consent to this measure, I shall do so, notwithstanding that I personally feel some hostility towards various clauses. The decision of the Premiers' Conference to bridge the gap referred to "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, such reduction to be equitably effected." It was left for the Parliaments to effect the 20 per cent. reduction in whatever directions they deemed desirable or necessary. The Plan had to be submitted to the Parliaments, including this one; but in the case of Western Australia we have something additional submitted to us. The Bill contains a provision for the alteration of the basic wage applying throughout the State. The Government in their wisdom decided to embody such a clause in the measure. My personal view is that they would have done better to submit a direct amendment of the Industrial Arbitration Act, a one-clause Bill to provide that notwithstanding the provisions of the Act the basic wage should be reduced by a certain proportion, indicated in this measure as 18 per cent., and that such reduction should be applicable during the period of the emergency legislation. Speaking on the Bill in another place, the Attorney Gen-

eral in effect said, when certain objections had been lodged to the Bill, that credit for £1,000,000 was unprocurable unless and until Parliament passed this legislation. He said that the State had an assurance from the Prime Minister, or the banks, or some other authority, that the amount would then be made available. I ask, if that is the position, are we warranted in stating that we will refuse to pass the Bill? In my opinion we are pushed into the position of having to support the measure whether we wish to do so or not. I desire to draw the Minister's attention to the matter of district allowances. The matter is one that keenly exercises the minds of goldfields residents, who have already suffered heavy reductions by the variation of goldfields allowances which they enjoyed for many years. While this Bill was in another place, representations were made by the Public Service Association to the Attorney General, urging that when consideration was given to the measure the reduction in district allowances already suffered on the goldfields would be taken into consideration in determining the amount of further reduction. When last on the goldfields I was interviewed by some of the civil servants there, and was shown the following extract from a communication from their association:—

No. 9. District allowance cuts to be included as part of the 20 per cent. total reduction. Mr. Davy met us in the request that the reductions already made in district allowances should be taken into account to constitute part of the 20 per cent. total reduction. He agreed to insert the words "or district allowance" after the word "salary" in line 1 of Subsection (b) of Section 7 (1).

I secured a copy of the foregoing, believing that when the Bill came before this Chamber the amendment would have already been made. On perusal of the measure, however, I found that such is not the case. The interpretation clause defines "Salary" as including "salary, wages, allowances, fees, commission, and every emolument." Later it is provided that "Salary" does not include "district allowance or travelling allowance and transfer allowance, or any allowance which the Governor may in that behalf determine." In an effort to ascertain why the amendment to which I referred has not been embodied, I found these contradictory statements, that "Salary" did cover all allowances, and that certain allowances were not included. Whether the allowance to which I have alluded is officially termed a district allowance

or a goldfields allowance I know not, but I wish to request the Leader of the House to inquire of the Attorney General, and to inform me, what allowances are deemed to be salary, and what allowances are not deemed to be salary. In Committee I will move an amendment to insert what the association believes the Attorney General led them to think they might expect. We are now in a time of financial emergency. Hence the Bill. And we have a State basic wage of £3 18s. The Government say that if we are to compete with the secondary industries of the Eastern States, operating chiefly under a Federal award, we cannot afford to pay the present basic wage, but must reduce it by 18 per cent. The latest Federal figures, those for the first quarter of this year, with a 10 per cent. reduction, disclose that the Federal basic wage is £3 6s. 7d., or 11s. 5d. less than that in Western Australia. Victoria, working under wages boards, and whose basic wage is determined on the Federal figures, has a distinct advantage in competing with other States in the manufacture of commodities. I can recall Mr. Gray pointing out in this House that the youth of this State could not get work here, but had to go to the Eastern States for employment; and urging that our people should support local industry. This measure is brought forward when we have a plan operating as from the 9th July; the starting point in the Bill is the 30th June, 1930. In 1931 our basic wage is £3 18s., but as on the 30th June, 1930, it was £4 7s. Therefore that reduction of 18 per cent., amounting to 15s. 10d., will reduce the basic wage in Western Australia to £3 11s. 2d. And even after we have that reduction we shall still be competing with the Eastern States, where the basic wage is £3 6s. 7d. If the Government desire to place Western Australia in a position where she can compete with the Eastern States, the wonder to me is that they did not introduce in the Bill a sufficient reduction to put us on the same basic wage as exists in the Eastern States, and incidentally give opportunity to the youth of Western Australia to get work here, so that they should not have to leave this country and go to the Eastern States for employment. When the basic wage is brought down to £3 11s. 2d., since the Bill provides that the minimum shall be £185 the only reduction that could be made in any subsequent variation in the rate would be 9d. per week. The Arbitration Court provides quarterly adjustments, but the figures

for the quarter ended 30th June, 1931, have not yet been published. In a measure we had here last year it was distinctly prescribed that the adjustment should be made as soon as the figures were available. I understand they are available, and I should like the Minister to tell us why they have not yet been published, so that we might know what the reduction for the forthcoming quarter is to be. Alternatively, the Minister might tell us when the figures will be made available. As I have pointed out, with a basic wage of £3 11s. 2d., and with a prescribed minimum of £3 10s. 5d., we are now getting down to the bedrock of the basic wage that would be applicable in Western Australia. Whether that will serve as an emergency measure, enabling us to compete with the industries in the Eastern States, remains to be seen. Last evening Mr. Drew stressed the point that the State basic wage was based on the average obligations of the worker, and set out to show that by this reduction Parliament was prescribing that the worker should get a lesser wage than the court had determined was the minimum the worker should have. He then pointed out that the figures in the Eastern States had not been altered. But he did not point out that in Victoria, where they are working under the Federal basic wage which is considerably less than our own, the workers are just as well off as are the workers in Western Australia. The basic wage there is derived from a different angle, but I do not think it is a fair comparison to point that out and ask so much less than their standard should be reduced when we have in Victoria a standard which is equally good to the workers. Mr. Drew inferentially said the worker would not be as well off under the Eastern States' standard as under our standard. Then he went on to quote Mr. Scullin and Mr. Hogan, and reading very carefully the report when Mr. Scullin was being traduced by some of his own supporters in the House of Representatives, he said it was very easy to criticise, that sheer necessity had driven them to what they had done. The Federal Government had been driven back step by step, and the straitened financial position of the Commonwealth had compelled them to do what they were doing much against their wishes. In turn, we have this Bill before this Parliament, and step by step they are being forced into doing the thing required. I am reluctantly compelled to support the

second reading, hoping that some amendments may be made in Committee. I am not going to deal with mortgage interest, or the classification now, but will have something to say about those matters when in Committee.

HON. C. H. WITTENOOM (South-East) [5.40]: I will support the Bill, since I feel I can do nothing else. At the same time, like other members, I do not care for the Bill for, amongst other things, it means a certain amount of poverty to persons on the lower rungs of the ladder. The Bill is going to hit all sorts of people, Government servants on the higher plane, pensioners, wage-earners, and persons receiving grants, all in order to rectify the position we are in to-day. It is going to reduce the salaries of members of Parliament. I quite agree with Mr. Miles that, whereas it is proposed that members' salaries shall be reduced 20 per cent., really they ought to be reduced to £400, the amount from which they were last raised. This Bill, with its predecessor and its successors, tends to reduce the Australian standard of living. It is high time that unduly high standard should be reduced. We have been living miles beyond our means, far more than we can afford. The standard of living Australia has enjoyed for years past is very largely responsible for the financial position we have now arrived at.

Hon. W. H. Kitson: I hope the hon. member is speaking for himself.

Hon. C. H. WITTENOOM: Because of the exceedingly high cost of living, it has been quite impossible to export anything in the way of secondary industries. It was only when the prices of wheat and wool were high that it was possible to export those commodities for anything like a profitable return. I will support the Bill because it is one of the many steps we have to take to reduce these high costs and at some future date arrive at the position where we shall again be able to export wheat and wool at profitable prices. Another thing, by all the States passing these several emergency Bills, probably we shall bring the Commonwealth Parliament to its senses, and so induce it to reduce the burdensome tariff we have been suffering under for so long, and which probably has been the cause of most of our troubles, and also remove from us the intolerable burden of the bounties which all the States but Western Australia have been enjoying.

Like Mr. Hall and Mr. Drew and others, I am very much surprised at the percentage reductions in the Bill. It is quite the last thing of its kind I would have expected. All I can surmise is that the framers must have been afraid that if they took too much from people drawing the larger incomes, it would mean that private industries would not get the financial support they have had in the past, and that the workers on the lower rung of the ladder would suffer even more. That might be the result if practically all the capital were taken from the people who are investing it in industry. We have read of what Mr. Lang is trying to do in New South Wales, reduce all salaries to £500, which would leave little money for investment in industries. I intend to follow carefully the amendments which Mr. Miles proposes to move in Committee. I shall not commit myself to supporting any of them, but I will give them due consideration. Australia has appointed a committee consisting of the Prime Minister and the Premiers, assisted by possibly the best brains in the country, to deal with these matters. They have adopted a Plan, and after the work that has been devoted to it, I would not feel justified in opposing their proposals. At the same time, various amendments will be submitted in Committee, and probably some of them will be accepted by the Government. I am pleased that provision is made for a reduction of interest on mortgages. For a good many years people have been purchasing farms at prices far in excess of their worth, and I cannot help thinking that, instead of limiting the mortgage rate to 5 per cent., it might have been brought to 4 per cent. In making that suggestion, let me add that I have more particularly in mind the mortgage rate for farming properties. Regarding the banks, the information before us is very vague. It has been suggested that the bank interest on overdrafts should be reduced by 1 per cent. This matter, I understand, will be discussed under later legislation. I support the second reading.

HON. W. H. KITSON (West) [5.50]: The more I consider the Bill, together with the other measures which, we are informed, comprise the Plan devised to save Australia, the more difficult I find it to visualise how that result will be brought about. We have been told this afternoon that unless wages are reduced to a very low level, below any

level that has ruled in the last 20 years, the position will be hopeless. We have also been told that unless we are prepared to agree to sacrifices in other directions, it will be impossible for the Government or for private enterprise to function as in the past. We are faced with a serious state of affairs, and it is just as serious from an Australian point of view as that which existed in 1914. In my opinion, we should consider everything that affects the financial life of the country. I assert that if we are going to content ourselves with reducing wages, particularly the wages of the great majority of the people, we shall not get very far. The position will merely grow worse, and sooner or later we shall be faced with that disaster which this Plan was devised to avert. Even the sponsors of the measure admit that the outcome will be an increase of unemployment. We are told that a large number of people will find their incomes gone or considerably reduced, and therefore Governments must provide more money for the relief of those people. If that is so, I fail to see how the Plan can prove effective. Wage reduction can have only one effect. In the past it has had only one effect, namely, to reduce the standard of living and create additional unemployment. That has been the experience throughout Australia, in the United States, in Great Britain, and in practically every country where it has been tried to any extent. Consequently, one point we have to consider more than in the past is that of providing employment for our people, and this cannot be done by a general reduction of the wages of the workers. I am not alone in expressing that view. Mr. Miles would go the whole hog and would say that, irrespective of everything else, the wages of the workers must come down and that, until they are brought down, there is no hope for us.

Hon. G. W. Miles: I have advocated a 16 per cent. reduction instead of the 18 per cent. stipulated in this Bill.

Hon. W. H. KITSON: The hon. member went further and suggested abolishing the Arbitration Court.

Hon. G. W. Miles: I suggested suspending it.

Hon. W. H. KITSON: That would make it possible for employers to please themselves what wages they paid. The Bill goes a long way in that direction. If it is correct that this emergency legislation is going to cause an increase of unemployment, how

can it be said that it will solve the difficulty confronting us? Immediately we reduce the spending power of the people, business must suffer. Almost every tradesman in this State can testify to that fact. Business people at Fremantle have noticed particularly that as the wages in circulation were reduced, first by a reduction in the rate and then by lack of work, so a larger number of workers were thrown out of employment. Consequently we cannot look for much help from the Bill in the matter of coping with the problem of unemployment.

Hon. G. W. Miles: Mr. Drew has made a very good suggestion—let people get out and grow potatoes and other produce.

Hon. W. H. KITSON: I wish to discuss a few points which will have to be considered before we can expect any real recovery in Australia. I fully believe that we cannot hope for any solution of our troubles while the prices of our primary products remain at their present low level. With wheat at 1s. 8d. or 1s. 9d. a bushel and wool at 8d. or 9d. per lb., it is futile to think that any legislation we can pass will restore the country to prosperity. Many factors are contributing to the present state of affairs. I am afraid too many people regard the problem as one affecting Australia alone, whereas it is world-wide. Many other countries are suffering almost as severely as we are and, according to the Press, the time is not far distant when even the Old Country will be faced with the same problem. Yet in most countries similarly affected the same remedy is suggested—reduce wages or it will be impossible to compete with other countries producing like commodities. If there is anything in that argument, the result will be to bring Australian rates of wages down to the level prevailing in those countries, which to-day are employing labour at the lowest possible rates, while some of them are even employing black labour in the production of primary products. That is one reason why we should look for some remedy other than the reduction of wages for our present difficulties. The production of the world to-day is higher per unit of those employed than was ever the case before. We have no need to go outside our own country to prove that, but almost every part of the world is faced with the same problem. In some countries the inquiries that have been made during recent years show conclusively that owing particularly to improved machinery and the adop-

tion of more modern and scientific devices, production has reached such a stage that only a comparatively small percentage of men is required to produce that which was produced 20 years ago. Therein lies one of the troubles we have to face. Great Britain, the United States, and one or two other countries depend to a great extent upon their manufacturing ability. They are not now able to absorb the man power available, and yet they are producing more than they have ever produced before. Never in Australia's history has there been so much production in the way of wheat, wool, meat, etc. Alongside of that, however, we see a large proportion of our people unable to get employment, or to buy the necessities of life to which they are entitled. These are things that will have to receive attention. As a result of the war, Australia, in common with other countries, finds itself in the position that the fixed interest charges are so great that the margin left from the national income is insufficient to provide the ordinary social services. We shall have to give attention to that phase of the matter. I do not say that we as a State will be able to do very much in that way, but it is one of those matters that will have to receive attention. I am glad to see the little ray of sunshine in the recent attitude adopted by the United States regarding the postponement of war payments for 12 months. It is along those lines that we are going to reap more permanent benefit, and I hope that this action will be the forerunner of further developments of the same kind. Until such time as the war debts have been dealt with, possibly cancelled in their entirety, we shall have a lot of trouble which could otherwise have been avoided. In this State we have to rely to a great extent upon our primary industries for our exports, which are to create our oversea credits. The other States in Australia have not to rely upon that to the same extent. It will be necessary for the Government of this State to give some attention to this question, and endeavour to find some way by which relief and assistance may be given to those members of the community who are engaged in primary production. I am afraid the Bill before us provides very little in the way of a solution.

Hon. G. W. Miles: The Government will save £800,000 a year by this Bill.

Hon. W. H. KITSON: It is strange that this should be the only Government in Aus-

tralia to endeavour to inflict a sacrifice upon practically all the members of the working community. Hardly any exemption is provided. In the other States and in the Federal sphere it is made clear that those on the basic wage or less are to be exempt.

Hon. W. J. Mann: It is a common sacrifice.

Hon. W. H. KITSON: We all agree as to the necessity for a common sacrifice, but this Bill provides for a most uncommon sacrifice. The only exemption is in the case of those persons in receipt of an income at the rate of less than £185 a year. A man may receive only £50 in one year, but may have earned it at the rate of £185.

Hon. V. Hamersley: A great many will earn more than that.

Hon. W. H. KITSON: Any person similarly situated must join in the general sacrifice and pay his share. It will not matter whether a man is rationed or not, whether he is working only one week in four, so long as the rate of pay received is higher than at £185 a year, he must suffer the reduction. That is wrong. The Bill says that all these people must be reduced 18 per cent. in comparison with the rate of pay they received on the 30th June of last year. If it had stated that all those who were earning more than £185 a year were to suffer a reduction, I would not have any grounds for criticism, but it says that so long as a man is paid at not less than the rate of £185 a year he shall be reduced 18 per cent. Is it right that any man who, if he was working full time would be paid £4 but through lack of employment finds he can only earn, say, £2 a week, should out of the little that is left to him lose 18 per cent. of it? No member can justify that sort of thing. In the other States it is provided in some cases that there shall be variations to relieve to a certain extent those who are on a lower rung of the ladder. We are doing nothing of the kind here. The Bill says that irrespective of what a man is receiving, and to what extent he can purchase the necessities of life, he must contribute his share. I am glad the Bill has been amended in respect to mortgages. It now provides that these shall automatically be reduced by 22½ per cent., or to five per cent. per annum, whichever is the greater. That is more satisfactory than the measure as originally drafted. It might, however, have gone further. This

is the only State where the Government have endeavoured by legislation of this nature to get away from the Plan which was devised by the Premiers' Conference. There may be adequate reasons for that, but I have not heard them. Whilst the manner of dealing with mortgages may prove of great benefit to a number of people, I think the idea could be carried further along lines I will indicate when the Bill is in Committee. From time to time statements have been furnished to us from representatives of the different States, which made up the last conference, showing what was going to be done by the banks. We now find that the banks have an entirely different idea of the position. In effect they have said through the Press that, whilst they were the people who insisted that all sections of the community should bear their share of the sacrifice, they do not agree that they in turn should bear their share, or do so to the same extent as the general community. This matter requires to be cleared up. These institutions have to a great extent been responsible for the various measures which have been introduced into the different State Parliaments. If they are not prepared to accept a fair share of the sacrifice, they have no right to dictate to any other section of the community as to the extent to which it should make sacrifices.

Hon. G. W. Miles: Actions speak louder than words. They have in their transactions made a reduction of 33 1/3rd per cent. within the last few days.

Hon. W. H. KITSON: That refers only to some transactions, not to all. Other sections of the community are compelled by law to suffer reductions in wages, etc.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. W. H. KITSON: Prior to the tea adjournment I was dealing with the position of the banks in relation to the financial rehabilitation plan, and was pointing out that it appeared as though the banks were to be placed in a different position from that of other sections of the community, in that they were not to be subject to legislation to which other sections had perforce to submit. We are given to understand that there is perhaps a difference of opinion as to what actually occurred at the Premiers' Conference. The representatives of the banks have said that they did not undertake to do certain things immediately, whereas other repre-

sentatives at the conference have stated to the various Parliaments of Australia that it was understood the banks would take action immediately, or as soon as legislation was passed by the various Parliaments dealing with other phases of the Plan. If we are to have equality of sacrifice, the banks must take their share in common with everyone else. The argument has been advanced on their behalf that it would be impossible for them to reduce the rate of interest on fixed deposits, as it would be a breaking of a contract if they did. Many other contracts are being broken as a result of the legislation we are passing, and I see no reason why the contracts of the banks should not be broken in the same way. In effect we are saying to the bondholders throughout Australia that they must agree to a reduction in the rate of interest on the bonds they hold. Certainly they are given an opportunity to convert voluntarily, but there is a very big stick attached to that part of the business. If that is the difficulty of the banks, it seems to me that the Government should introduce the necessary legislation to allow them to deal with fixed deposits in the same way as we have dealt with the bondholders. That would take from the banks any such excuse as they are able to put forward at present. If there is one thing more than another that is affecting Australia to-day, it is the burden of interest. It affects not only Governments but private people as well, including the primary producers whom we are all desirous of relieving of as much of the burden they are carrying as is possible. Even when the Commonwealth and State legislation takes effect, the question of interest will still be serious. Some people have the idea that as a result of the conversion loan, if successful, our burden will be materially reduced, but when we realise that the reduction in the interest burden of Australia as a whole will mean only about £6,500,000, it will be seen that it is really not such a tremendous factor.

Hon. Sir William Lathlain: But that is per annum.

Hon. W. H. KITSON: That is so. It will mean less than £3,000,000 per annum to the Commonwealth Government—a mere bagatelle to the bill we have to meet annually, including our overseas commitments. That lends point to the statement I made earlier that we must get away from the idea that this is a local question. It affects the whole world at the present juncture, and

until something is done in an international way, I am afraid we in Australia will not reap much benefit.

Hon. E. H. H. Hall: You do not suggest that we should sit down and do nothing in the meantime!

Hon. W. H. KITSON: Not at all. There are many steps to be taken to alleviate the position. Some may have the idea that by passing legislation of this description, which will effect a reduction of wages, we shall solve our problems.

Hon. Sir William Lathlain: But is it not the first step towards putting our house in order?

Hon. W. H. KITSON: I do not subscribe to the idea that reducing wages will help to solve our problem.

Hon. W. J. Mann: Have you proofs to that effect?

Hon. W. H. KITSON: I have mentioned them. Wherever that method has been tried, particularly on a large scale, it has inevitably led to an increase in the unemployment problem, and we shall have the same experience here. We cannot escape from it. Much of our trouble to-day arises from the fact that we are endeavouring to patch up a system that is not, in my opinion, capable of meeting the combination of circumstances with which we are faced. That appears to be the crux of the whole situation. If we are to continue with the present system, it means we shall have to effect radical alterations in certain cases, particularly the monetary system. There can be no question that, irrespective of what our beliefs may be and what political school of economists we follow, we must inevitably come to the conclusion that radical alterations are required in that direction. That is proved conclusively by virtue of the fact that such countries as the United States of America and France have placed themselves in an absolutely impregnable position in connection with the gold supplies of the world. I shall not embark upon a discussion of that aspect, but it is to those countries that we shall have to look for a definite lead. Perhaps there is a gleam of light to be discerned in the recent action of America with reference to the war debt, but it will have to go much further than the present proposals. When I say there will have to be a radical alteration in the monetary system, I can, if necessary, quote a number of eminent authorities who agree. Apparently the legislators in Australia have been quite content to accept the

advice of experts who belong to a certain school of economists in the Commonwealth, and, having decided to accept their advice and introduce legislation accordingly, I suppose inevitably the Commonwealth will have to give the Plan a trial. I am convinced it will not solve the problem, and will not secure the results predicted. I do not know that I have much more to say. The question of attacking individuals receiving less than the basic wage I have dealt with fully. It is unfair and unjust. I contend there should be a limit below which workers should be exempt. It is true that the Commonwealth have fixed the basic wage as the figure below which persons shall be exempt, but in Western Australia we should at least adopt the State basic wage. Men who are earning less per annum than the basic wage should not be taxed as the Bill proposes. The sacrifice that those who are earning less than the basic wage are to be called upon to shoulder, is comparatively much greater than that of anyone else and unless the Leader of the House can give good reasons why they should not be exempt, I shall not be able to agree to the second reading of the Bill. I have pointed out that the monetary system is to a great extent responsible for our present position. I have before me a cutting from the "West Australian" of the 13th May last, which is as follows:—

The World Crisis.

Monetary Mismanagement.

Viscount D'Abernon's Analysis.

London, May 12.—Viscount D'Abernon, the prominent financier and diplomat, in an address before the Royal Empire Society to-day upon the world crisis, said that it was a pity that the officers of the ship were on their knees praying for better weather instead of navigating the ship to safety. Every month evidence accumulated that the main cause of the trouble was monetary. The great creditor nations—America, France and Britain—had woefully mismanaged monetary affairs. Unless the value of gold measured in commodities were reduced there must inevitably be defaults by many debtor nations. "If you make debtors' sales impossible, you render payment impossible and thus bring about bankruptcy," he said. "The fall in the price of staple commodities is due to the scarcity of means of payment. This can be corrected by the combined action of the central banks of the gold-using countries. The price level at which the standard of value should be stabilised is a matter for discussion, but it must permit the maintenance of wages and salaries at approximately the present rate."

Viscount D'Abernon is well known as an authority both at Home and in Australia, and

I am in almost entire agreement with what he says. He is supported also by the recent report of the McMillan Committee appointed by the British Government in 1929, whose report was recently issued. The document is lengthy and involved. Briefly put, they recommend that there shall be a vital alteration in the monetary system. I do not propose to go into details with reference to their suggestions. Suffice it to say that what I have read of their findings leads me to believe that our present troubles will be solved permanently only by means of international action. Perhaps hon. members will agree with me when I say that any action we take in Australia may affect certain aspects of the situation internally, but it cannot prove a solution of our troubles. Therefore, while I agree that the position is extremely serious, and that it is necessary that we take strong steps to rectify it, I cannot agree it is going to be done by the means that are to be adopted, which, as I said before, can only have the effect of lowering our standard of living which I do not agree is too high, as suggested by Mr. C. H. Wittenoom, and at the same time create an increase in the number of unemployed, a state of affairs we all desire to avoid. I shall oppose the second reading of the Bill.

HON. J. CORNELL (South) [7.47]: At the outset I wish to say that my research and inquiries regarding our present financial and economic situation leads me to the conclusion that, excepting the Scandinavian nations and Holland—which were neutral during the war—and France, all parts of Europe and the United States seem to be faced with the same set of circumstances that are besetting Australia, and even Great Britain, to-day. The cause appears to be the very same—that it is unprofitable to produce essentials. When it is unprofitable to produce essentials, the producers of those essentials are not in a position to buy non-essentials. Whilst I go a long way with Mr. Kitson in the views he has expressed, the policy of wage-cutting is not calculated to lead us into the right direction. We are faced with the position that the very policy or plan laid down by the Premiers' Conference is exactly the same as the plans adopted by countries affected similarly to ourselves, have advocated. That is, those countries are advocating, firstly, a curtailment in the expenditure of government

in comparison with previous expenditure. The United States is advocating that; even the McMillan plan, referred to by Mr. Kitson, advocates that. That being so, we here in Australia are forced into the position to try out the plan suggested because there is no alternative at present, and I for one am perfectly convinced that the Plan we are about to try out will not bring about the salvation we hope for.

Hon. C. B. Williams: Then why not vote against it?

Hon. J. CORNELL: Voting against it would be a policy of despair.

Hon. C. B. Williams: The acceptance of it will be a policy of despair.

Hon. J. CORNELL: Even in our own humble households there comes a time when we have to sit down and calmly meditate. If we are going to square the budget we must get the wherewithal for the following day. That is the position in which we as a country find ourselves in now. If I could see some alternative that could be sponsored in contradistinction to the Plan that has been put before us, I would be the first to support it. Candidly, whilst I may have a nebulous idea of what ought to be endorsed, and others may have a similar viewpoint, the fact remains that that viewpoint has not been quoted nor have the component parts been brought together as they have been brought together by the Premiers' Plan. When we find conflicting political forces come together, as they have come together in this Plan, then I think there is room for reflection. It is generally accepted that all organisations, unless they are prepared to exhibit a spirit of give and take, to contract and expand as circumstances permit, there is only one alternative, and it is that the organisations must break down. It is the contraction and expansion that has brought together the conflicting political parties throughout Australia to-day. Personally, I pay a great tribute to the Prime Minister of Australia for the part he has taken in this matter. I happened to sit with the Right Hon. J. H. Scullin at a conference which decided the conscription issue of Australia, a conference which meant the expulsion of certain Federal members for supporting conscription.

Hon. C. B. Williams: In other words, he is in your boat now.

Hon. J. CORNELL: I am not going to push him out of the boat now. There is only one logical attitude for this House to take

up, and it is to agree to the second reading of the Bill, and if there are any features by which easements can be given in the direction in which they ought to be given, I do not know this House aright if it does not endeavour to grant them when the Bill gets into Committee. I cannot let this opportunity pass without making reference to certain remarks regarding the salary of parliamentarians made by Mr. Miles and Mr. Nicholson. Both those gentlemen at times have seriously condemned the attitude of parliamentarians, or politicians so to speak, in the direction of catching votes, or for the purpose of fame or notoriety. That is something that cuts in many ways; it can be construed in many directions, and it is popular at these times—no doubt you, Sir, have learnt that since your return from the Old Country—to make members of Parliament fair game, and some people consider that there is nothing contemptible enough to say about them. I think we ought to stand up for ourselves; we are just simple men and do not desire to be placed on a high pedestal; neither are we prepared, for the sake of notoriety or fame, to make sacrifices which the majority of people do not require to make. Mr. Nicholson stated that the salaries of members were increased from £200 to £300, then from £300 to £400, and later from £400 to £600 per annum; but he omitted to say that at one time no salary at all was paid to members. I have been through many elections and many campaigns, and not at one was the subject of salary ever mentioned. I might say, by the way, that once upon a time, our ex-Premier was commiserated with by a back country man who was in a certain condition. He said, "You know, Mr. Collier, I have never been a member of Parliament, but God only knows what a man might come to!" That was an individual who had a due appreciation of members of Parliament. Let us analyse the position. The cut proposed will reduce the salary of members by 20 per cent.—that is to £480. The number of members affected will be 72. If we reduce the salaries of the 80 members of Parliament, that is including the eight Ministers, to £400 per annum, that will be the mark on which Mr. Miles says we ought to be. Let us be generous or reasonable. The eight Ministers would be drawing £400 a year, and the remainder £480 a year. Eighty multiplied by 72 would give us £5,760 per annum. In pounds, shillings

and pence that would be the amount of the sacrifice made by members of Parliament if their allowances were reduced to £400 a year. I ask whether that is going to save Western Australia from the bankruptcy court. If it is, you can have the £80, so far as I am concerned, and I do not think the day is far distant when there will be no money with which to pay members even the £480. The Bill is based on a 20 per cent. reduction off the aggregate wages and salaries paid by the Crown on the 30th June, 1930. That is what is aimed at. If members consider that the 20 per cent. is too great a figure, a move can be made to alter it; but that is the basis of the Premiers' Plan, and in order to make that 20 per cent. saving the schedule to the Bill has been necessary. Looked at in cold blood, it does appear, and it is so, that the lower-paid man is going to contribute the lion's share of the money. If the 20 per cent. reduction is to be accomplished, the man on £250 a year will contribute £45 a year. The man on £1,000 a year will contribute £200, coming back to £800. The man on £1,500 a year will contribute £278 10s., getting back to about £1,220. It may be truthfully said that the man on £1,000 and the man on £1,500 will then be drawing salaries out of all proportion to those of the lower paid men. That is so; but, as in military vernacular I interjected when Mr. Drew dealt with a somewhat similar situation last night, "The infantry get it in the neck." To draw a parallel, the position of the lower paid men under the Plan will be almost identical with that of the infantry section of an army in any war; they have to bear the brunt of the whole position. Further, we find that the men on £1,000 and £1,500 a year are few, and that the lower paid men are numerous. Consequently, in order to achieve the 20 per cent. reduction, the schedule starts at 18 per cent. flat, irrespective of the amount of salary. It mounts to 22½ per cent. I am of opinion that if it was possible to scale the 18 per cent. down and grade the 22½ per cent. up, it should be done. If it can be done, and at the same time the 20 per cent. aggregate saving preserved, my vote will be cast in that direction. I notice that the New South Wales Legislative Council is not prepared to accept Mr. Lang's proposal of a £500 maximum salary. If newspaper reports are correct, the New South Wales Council has scaled up from 10 per cent. to 29 per cent. I counsel hon. members, when in Committee,

not to endeavour to scale the lower man down and the higher man up on a hypothetical basis, or from the sentimental point of view, or as Mr. Miles would say from a vote-catching point of view, but to let the position be fully worked out and demonstrated.

Hon. G. W. Miles: I demonstrated it by the figures I gave.

Hon. J. CORNELL: No individual in this country would be more anxious to bring about that achievement, if actuarial calculations show it to be feasible, than the Attorney General who introduced this Bill. If this Chamber can succeed where the Attorney General has failed, the first man to congratulate the Legislative Council, and to hold out his hand to the genius who conceived such a scale, will be the Attorney General himself. Exception has been taken to fixing the lowest wage for an adult male worker under the Government at £185 per annum. Some hon. members have contended that there should be no minimum. The Western Australian Government employee has been undergoing a cut for 12 months. The Federal civil servant on less than £750 per annum practically escaped any cut until the recent legislation of this nature enacted by the Federal Parliament.

Hon. G. Fraser: The Federal civil servants accepted a cut a few months ago.

Hon. J. CORNELL: The Premiers' Plan as adopted by the Commonwealth Parliament stipulates that no adult male worker shall be reduced below £182 per annum. Would any hon. member for one moment recommend that a State civil servant should work for a lesser minimum wage than a Federal civil servant? Such a proposal is not tenable. I said at the outset that I did not consider the Plan as it stands would bring about our salvation. It will, however, be an acid test if it will go a good way towards that end. Otherwise, before 12 months or perhaps six months go over our heads, there will be an amendment of the Plan; and the State should take action to reduce its adult employees when the bigger concern does so, namely the Commonwealth. For the honour and credit of Western Australia and this House I hope that no attempt will be made to disturb the figure fixed. Mr. Nicholson quite openly referred to the arbitration proposal, and in a guarded way Mr. Miles did the same. Whether or not the Plan decided to bring workers other than Government employees under it is, to my

thing, beside the question because, after all, practically the whole of the Plan agreed upon was the conversion of bonds and the saving of 20 per cent. in Government expenditure. I have yet to learn that the Plan in any way prevents an individual State from going beyond what was agreed upon so far as Government workers and instrumentalities are concerned, if in its wisdom the State Parliament thought that more was demanded. It has been argued that in place of that part of the Plan, a short amendment of the Industrial Arbitration Act should have been brought down. The difference is one between Tweedledum and Tweedledee. The point of the whole Plan is urgency, the need for immediate action in reducing national expenditure. To my mind, whether means of egress are given through the Arbitration Court under the Plan, or by a separate enactment, is a question of Tweedledum and Tweedledee. We have to ask ourselves this serious question, whether so far as outside workers and Government workers are concerned there is any great justification for two basic rates of wages? Under the Plan the basic wage would be less for a Government worker than for a non-Government worker. I am not afraid to say that the average workingman of Western Australia is more concerned about getting work than about what he is to receive for it; he will take that chance. Originally the Bill provided what I consider an absolute absurdity—that an employer almost forthwith, by notice in writing, could set aside an award of the Arbitration Court on the plea of urgency and national emergency. The worker was to accept such a reduction. However, he was given redress in a way. What redress? An appeal to the President of the Arbitration Court. I leave aside the question of congestion in that court, which has already been referred to. The worker was called upon to prove that his wages should not be reduced as proposed. In any well-ordered community that would be considered as equivalent to hanging a man first and trying him afterwards. We have heard a great deal about retrospective awards.

Hon. G. Fraser: Not in connection with this Bill.

Hon. J. CORNELL: What would have resulted under the arrangement proposed? Where the President of the Arbitration Court decided that an employer had unduly reduced his wages men, a large percentage of those wages men would never have col-

lected the difference between the reduced amount fixed by the employer and the rate which the president considered should be paid. Under the present proposal there is some semblance of justice and sanity. It merely reverses the position, providing that an association of employers can approach the court, and that if they can convince the court, as this Parliament has been convinced by the Premiers' Conference, that a national emergency exists, and that in consequence financial sacrifices must be made, the case of the employers will be made out. The process now proposed will be the simple one of an industrial association of employers moving the court in the direction indicated, on the ground declared by the very preamble to this Bill, that a state of national emergency exists. That being so, the court could go outside the scope of its jurisdiction under the parent Act so far as the basic wage is concerned, and grant a reduction in the basic wage corresponding to the reduction made in the pay of Government employees. Once that is fixed the rest is easy because the higher grade men automatically adjust themselves. I hope the House will make no serious attempt to reverse that provision in the Bill, because if ever there was a period when there should be give and take in the community, it is now, for, as more conservative members than I have said, we have reached an era in our history when the whole social fabric might collapse. The average working man of Australia is just as intelligent on economics and politics as is anybody else, and he realises that the situation is desperate. So if this is forced on him, he can only force himself back to the old system of saying, "I will not accept it." The result will be chaos and strife. I now come to the question of mortgages. Here again Mr. Nicholson who, like the Bourbons in exile, learns nothing and forgets nothing, advocated that the Bill should revert to what it was originally, and that those who had borrowed money on mortgage should first move the Commissioner and prove their case, whereupon the Commissioner will make an award accordingly. That is the whole principle of this Plan, namely that the sacrifice shall be collective, not individual. In that sense we give the State employees no alternative at all. They are to be told, "You are going to be reduced so much, and there it is."

Hon. G. W. Miles: Why not private employees the same?

Hon. J. CORNELL: Because for private employees there is the method and machinery for settling their disputes, namely the Arbitration Court. The way has been provided for them to accomplish what Parliament is putting over the State employees. What is the man who lends money asked to do? He is asked to suffer right out a 22½ per cent. deduction in the interest he is charging for his money.

The PRESIDENT: I hope the hon. member is not referring to a Bill not yet before the House, but which has been before another place.

Hon. J. CORNELL: No, Sir, it is provided here in Part V. of this Bill, "Reduction of mortgage interest."

The PRESIDENT: I have before me a Bill that has come from the Assembly, the Mortgagees' Rights Restriction Bill. The whole question will be ventilated when that Bill is before us.

Hon. J. CORNELL: I am merely replying to Mr. Nicholson. After all, is the position of the man who lends money any different from that of the man who has put his money into Government bonds? It is said the man who has put his money into Government bonds need not convert and lose 22½ per cent. unless he likes. But if he does not convert, the very position of Australia will force him to convert. An identical set of circumstances is presented to the man who lends money and to the man who has bonds to convert; that is to say, if they can convince the powers that be that they should not, in the one instance convert, or in the other instance reduce interest, the sacrifice need not be made. In the one instance the Commissioner can allow the mortgagee to charge the interest that has been charged in the past; every opportunity will be given for the mortgagee to make out a case that the conditions of the mortgage should not be disturbed. There is one other phase of the mortgage question which I hope the Minister will explain when replying, namely the proposal that the Bill shall not apply to any mortgage taken by the Crown or by any State instrumentality, or to any mortgage taken by a bank to secure an overdraft. My reading of what the House is asked to do is, to say that the Bill shall not apply to Agricultural Bank mortgages. I would agree to that conditionally that on Agricultural Bank mortgages there

shall not be charged a higher rate of interest than is charged by the chartered banks when lending money on similar securities. As the Bill stands, it would apply to the Agricultural Bank, but the Minister proposes to amend it. I understand there are difficulties in that the Agricultural Bank in order to lend money to its clients has borrowed money at a greater figure than 5 per cent. Of course this circumstance might apply to someone else. I do not desire to detain the House any longer, other than to say that as we are up against it there seems to be no alternative to going on with this proposal. I hope that when the Bill emerges from Committee it will be found that the lower man has been scaled down and the higher man scaled up.

HON. G. FRASER (West) [8.25]: Unlike the previous speaker, I for several reasons intend to oppose the Bill. In the first place I do so because the measure is not at all equitable; many members who have spoken in favour of it have admitted that. I desire briefly to go through one or two of the clauses. Paragraph (b) of Sub-clause 1 of Clause 7 deals with the rate of salary of an officer who has been reduced since the 30th June, 1930. In that instance, the officer concerned will have the reduction added to his present salary, after which the percentage will be taken from the total. But in paragraph (a) we find that if the rate of salary of an officer during the same period has been reduced, the reduction is to be made from the amount he is at present receiving. We have been told that the Bill is to apply in order that a 20 per cent. reduction in adjustable Government expenditure shall be made as at the 30th June, 1930. But these two provisions dealing with men in the same position would give different results. Under paragraph (a) say, for instance, an officer on £250 will suffer a reduction of £61 8s., but in the same set of circumstances under paragraph (b) an officer on the same salary will suffer a reduction of only £45. We are dealing with men in exactly the same position. One, because of certain circumstances over which he has no control, is to be reduced by a certain amount, while the other, under a set of circumstances not covered by paragraph (a), will be treated differently. In (a) the circumstances set out are as follows:—

If the rate of salary of an officer shall have been reduced at any time during the period

between the 30th day of June, 1930, and the date of the commencement of this Act by reason of his transfer to an inferior or lower-salaried position, or by reason of the fact that the particular position held by him has been re-classified at a lower salary owing to decreased duties or responsibilities, the rate of salary which is payable at the commencement of this Act shall be the rate of salary to be reduced in pursuance of this section.

So we find there circumstances over which the officer had no control; but because he has suffered that reduction through no fault of his own, he is to be penalised as compared with another officer who has also suffered a similar reduction, penalised to the extent of £16 8s. as against the other officer. I should like the Minister when replying to give us a little more information about this.

Hon. E. H. Harris: You say in the one case circumstances over which he has no control, and then apparently he has control over the circumstances in paragraph (b).

Hon. G. FRASER: No, I did not say so.

Hon. E. H. Harris: Well, you had better make it clear.

Hon. G. FRASER: I will make it clear to this extent, that in paragraph (b) no circumstances are given in connection with the reduction of the officer, but merely the words "for any other reason." Consequently under paragraph (b) the officer is just as likely to be in the same position as the officer under paragraph (a); they may be circumstances over which he also has no control.

Hon. E. H. Harris: It was merely following the words you read.

Hon. G. FRASER: If the hon. member had read the clause he would have found that in paragraph (a) the reasons stated are reasons over which the officer has no control, notwithstanding which he has to submit to the greater reduction. But in paragraph (b) no reason is stipulated, and that individual will get off more lightly. Consequently the interjection is not relevant. It appears that the Government are endeavouring to catch employees both ways or, in other words, are using a double-headed penny.

The Minister for Country Water Supplies: Oh no!

Hon. G. FRASER: I would not expect the Minister to agree with that.

The Minister for Country Water Supplies: I am astonished at your inferring it.

Hon. G. FRASER: One can only judge by the wording of the clause. The Government are endeavouring to catch both the offi-

cers who have received an increase and those who have been reduced. Reductions will be based on the salary an officer was receiving on the 30th June, 1930, but in one instance a departure will be made. Under paragraph (c), where the rate of salary has for any reason been increased since that date, the increased rate of salary shall be the rate of salary to be reduced. Consequently the Government do not intend to apply the reduction to the salary the officer was receiving on the 30th June, 1930. There may be some explanation and, if there is, I should like the Minister to give it.

Hon. Sir William Latblain: Would not you otherwise do that person injustice after the termination of the measure?

Hon. G. FRASER: The hon. member has not quite appreciated the point.

Hon. Sir William Lathlain: Yes I have.

Hon. G. FRASER: We are told that the reduction is to be based on the salary an officer was receiving on the 30th June, 1930, but an officer who has since received an increase is to have the reduction based, not on the amount paid on the 30th June, 1930, but on the present salary.

Hon. Sir William Lathlain: That is quite right. He was lucky to get an increase.

Hon. G. FRASER: Perhaps so, but the 20 per cent. reduction was to be based on Government expenditure at the 30th June, 1930.

Hon. J. Cornell: What about the automatic increases?

Hon. G. FRASER: They are evidently covered, but what about the automatic decreases? The Government will get it both ways. Consequently they are using the measure as a double-headed penny. I hope those provisions will receive close attention, because some alteration ought to be made. Take an officer under paragraph (a) who, at the 30th June, 1930, was receiving a salary of £250. During the interval he may have been reduced, for one of the reasons stipulated in paragraph (a), by £20. A reduction of 18 per cent. would bring his salary to £188 12s., a reduction of £61 8s. in all. An officer under paragraph (b), who had been reduced from £250 to £230, would lose £45, which would bring his salary to £205. The difference would be approximately £16. Under paragraph (c) an officer drawing £250 on the 30th June, 1930, who subsequently received an increase of £20, making a total of £270, would be reduced by £54, bringing his salary to £216.

The PRESIDENT: I suggest to the hon. member that the dealing with the details of particular clauses might be better deferred until the Committee stage.

Hon. G. FRASER: I was merely dealing with the matter rather quickly in order to direct attention to it.

The PRESIDENT: Incidental references to clauses are quite permissible on the second reading.

Hon. G. FRASER: I desire members to give attention to the matter before we reach the Committee stage. Various speakers have referred to the basic wage. Paragraph (vi) provides that no variation in the basic wage shall affect the rate of salary of an officer, unless such variation reduces the basic wage by an amount exceeding 20 per cent. of the amount of the basic wage declared as at the 30th June, 1930. That provision will receive the support of many members of this House. Though there is provision to cover reductions of the basic wage, there is nothing in the Bill to cover any increase of the basic wage, though an increase is quite likely.

Hon. G. W. Miles: Do you think so?

Hon. G. FRASER: Yes, because of the many factors at present operating. But no provision has been made for the worker to receive the benefit of any increase. If it is fair to provide for reductions, there should be provision to ensure that when the basic wage rises, the worker shall receive the benefit of the increase. I should like the Minister to explain why the 1st July is mentioned in Subclause 3 of Clause 7. The reductions are to be made as from the 9th July, but the balance of the Bill evidently is to operate as from the 1st July. Reference is made in Subclause 3 of Clause 7 to a periodical payment of salary made to an officer between the 1st July and the date of the commencement of the Act. The measure should be kept consistent in order that nobody may be placed at a disadvantage. Reference is made to superannuation and retiring allowances in Clause 8. I have no knowledge of any superannuation funds in the Civil Service, but evidently there are some, or provision to cover them would not have been made in the Bill. As most superannuation funds are contributed by the employees, care should be taken that the contributors are not placed at a disadvantage.

Hon. J. Cornell: There are none.

Hon. G. FRASER: I know of none, but the reference in the measure led me to believe that there might be some of which I had no knowledge. If there were, we would be taxing contributors 18 per cent. or 20 per cent. on moneys which they themselves had subscribed to the fund. The Government intend to reduce the grants made to various institutions and organisations. I regret to find such a clause in the Bill. I take it that the grants made to such organisations as the Kindergarten Union and the Infant Welfare Centres and similar bodies will be subject to the cut. I know the good work those bodies are doing, and I trust the Government will use the knife as sparingly as possible on those grants. Mr. Nicholson and Mr. Miles considered it was right to allow a private employer to reduce wages without reference to the Arbitration Court. For a long time Mr. Miles, as well as other members, has openly advocated the abolition of the Arbitration Court. When it took the workers up to two years to get to the court, Mr. Miles did not protest against the delays, but now when there is an opportunity to get at the wages paid to the workers, the hon. member applauds and regrets that the clause as originally presented to another place was amended. The hon. member, in reply to my interjection, said this was a case of national emergency. I agree, but it was also a case of emergency when the worker was far behind the cost of living, and was endeavouring to reach the court. I hope members will oppose any attempt to replace in the Bill the original clause, which allowed the employer to reduce wages without reference to the court. The mere fact of Parliament passing legislation of this kind is sufficient indication to the Arbitration Court to reduce wages, without anything more being done. In fact, it is not necessary to pass legislation instructing the court to do this. As Mr. Cornell stated, the title of this Bill affords an excuse to the court to make reductions. I was rather surprised at the attitude of members when they stated that we should give a direction to the court. Often during the past year or two I have heard those same members pass all kinds of remarks about the evils of political control in a matter of this sort, but, when it comes to a question of reducing the wages of the workers, they see no objection to it. I hope they will not be led away by Mr. Miles and Mr. Nicholson to the extent of altering certain clauses of

the Bill, which make it compulsory for the employer to apply to the court before making reductions in wages. The passing of this measure will be sufficient direction to the court that wages should be reduced to the extent set out in it. We know that certain clauses make it possible for various employers to obtain reductions without any case being heard. If any similar application has already been before the court, people have merely to apply for the same conditions as were set out in the original case to be awarded them in their case. The remarks of Sir William Lathlain with regard to waiting to get before the court will not apply. I do not think employers will have any cause for complaint on that score.

Hon. E. H. Harris: What makes you say so?

Hon. G. FRASER: The fact that Parliament passes this Bill as an act of emergency, and provides for cuts from 18 to 22½ per cent. in salaries, is sufficient indication that the court should also reduce wages.

Hon. Sir William Lathlain: Not much notice was taken of it in connection with the Kurrawang dispute.

Hon. G. FRASER: Mr. Nicholson tried to make out a case in connection with mortgages, and I will not deal with that point to any extent. I believe another Bill is to come before us directly covering the whole question. Mr. Nicholson objects to the automatic reduction of interest on mortgages, but does not object to the automatic reduction of wages. He is, therefore, inconsistent. I have heard nothing during the debate dealing with retrospection. Last week there was a big protest from several members in connection with the retrospection of certain legislation. I admit I am inconsistent when it comes to a question of retrospection.

Hon. W. J. Mann: Do you want this Bill to be retrospective?

Hon. G. FRASER: No.

Hon. W. J. Mann: We would help you if you did.

Hon. G. FRASER: Mr. Mann is like other members who hold up their hands in horror when it comes to making any business proposition retrospective, but when the matter touches the wages of the workers, they cannot get the Bill through quickly enough.

Hon. E. H. Harris: You did not hold up your hands in horror when we were dealing

with the conversion of bonds, and the Bill to reduce the salaries of the judges.

Hon. G. FRASER: No.

Hon. W. J. Mann: You entered no protest then.

Hon. G. FRASER: When retrospection comes before me, I am always prepared to judge the case on its merits. I do not pretend to be consistent on that point, and will not vote for retrospection as it affects wages, merely for the sake of being consistent. Other members parade their consistency, and, with the exception of hire-purchase agreements, they have always set their faces against legislation being made retrospective, but they do not mind it in the case of the wages of the workers. I have never heard any speaker on the Government side of the House put up the same argument in connection with retrospection as was put up last week when hire-purchase agreements were being dealt with.

Hon. Sir William Lathlain: Do you not think the beginning of the financial year is the proper time to start the scheme?

Hon. G. FRASER: When wages are affected, the proper time to start the scheme is when the Act is proclaimed.

Hon. Sir William Lathlain: You do not think any time is the proper time.

Hon. G. FRASER: I do not say that, but I am not prepared to support the Bill, or to agree to its being made retrospective to the 9th July. I hope members will show they are consistent in their attitude towards retrospection as it is revealed in this part of the Bill.

Hon. E. H. Harris: And be inconsistent, as you are.

Hon. G. FRASER: I do not intend to be inconsistent.

Hon. E. H. Harris: But you want consistency to appear in others.

Hon. G. FRASER: I want it to apply to those who say they are consistent. I am sorry the Conference in Melbourne could see no other way out of our difficulties than by reducing wages. It is surprising that the men who are supposed to be the brains of the Commonwealth can find no other means by which to reduce Government expenditure by 20 per cent. It has been said that the Prime Minister and other political leaders agreed to the Plan.

Hon. Sir William Lathlain: Including Mr. Hogan and Mr. Hill.

Hon. G. FRASER: Yes.

Hon. W. J. Mann: And Mr. Theodore.

Hon. G. FRASER: At least three or four gentlemen who belong to the same political faith that I do agreed to the Plan.

Hon. E. H. Harris: Do not leave out Mr. Lang.

Hon. G. FRASER: They agreed to a 20 per cent. reduction in Government expenditure, but never agreed to the Plan as it is set forth in this Bill.

Hon. G. W. Miles: Of course!

Hon. G. FRASER: I defy any member to show me legislation of a similar kind that has come before any other of the State Parliaments. We have put up a fight against it both in another place and here, and I hope other members who follow me will take up the running in opposition to the Schedule. We are told that it is perfectly equitable. Is it fair and equitable to reduce a man on £251 at the same rate as the man on £999 will be reduced?

Hon. G. W. Miles: You have an opportunity to amend that in Committee.

Hon. G. FRASER: I know that certain amendments will be moved.

Hon. G. W. Miles: If you are out to help the man on the lower rung, you will support me.

Hon. G. FRASER: I will not commit myself until I see the amendments in print. A lot has been said about the restrictive effect that a reduction in wages has upon business. Sir William Lathlain has told us how his business has gone down in the last two years. I was surprised to see in last night's Daily News that a local firm had sufficient confidence in the State to spend £90,000 in buying land in Hay-street.

Hon. G. W. Miles: Did you not also see that one firm had made a profit this year of £171, as against £18,000 last year?

Hon. G. FRASER: No. We are told that businesses in the town are being run at a loss.

Hon. Sir William Lathlain: Come to my place to-morrow and I will show you.

Hon. G. FRASER: I do not doubt the hon. member's words, but evidently some people are making a profit. I have just mentioned the enterprise of a Hay-street firm.

Hon. G. W. Miles: It is a good advertisement for them.

Hon. G. FRASER: It is a good advertisement for the State.

Hon. G. W. Miles: Do you suggest that money changed hands at that price?

Hon. G. FRASER: I have only seen what appeared in the Press. I am glad the firm was game enough to lay out such a large sum. Things, apparently, are not as bad in the business world as we are led to believe.

Hon. Sir William Lathlain: You know nothing about it.

Hon. G. FRASER: I can only go by the figures.

Hon. Sir William Lathlain: To what figures do you refer?

Hon. G. FRASER: To the £90,000 deal I have spoken of.

Hon. Sir William Lathlain: Is the land paid for?

Hon. G. FRASER: I do not know, but the same firm will be spending £50,000 on new premises. Most of that money will have to be paid out because it will go in wages. Whether the firm itself will pay or not, I do not know. It is their business if they have an overdraft. When we see this sort of thing, we must get the idea that the firm in question must have an optimistic outlook upon the volume of business that is likely to be transacted in this city.

Hon. E. H. Harris: It may be a foreclosure on a mortgage before the Bill passes.

Hon. G. FRASER: That may be so. I regret that other avenues have not been exploited than that which is set forth in this Bill. We know that many economies in the Government service can be effected. Let me instance the duplication between the State and Commonwealth departments. If every avenue of that kind had been exploited, it would not have been necessary to make the large cuts that are proposed in this Bill.

Hon. E. H. Harris: You should have been at the Conference to put that up.

Hon. G. FRASER: I do not know if that phase was discussed at the Loan Council, but it should certainly have received attention. The Commonwealth Public Works Department could well be ruled out and the work undertaken by the State Public Works Department.

Hon. W. J. Mann: It will be, when we get secession.

Hon. G. FRASER: I hope the department will be taken over long before that, because I do not think we shall ever get secession. Then again, there is the duplication of the Electoral Departments and the Railway Departments. Certainly the control of the Commonwealth railways could be undertaken by the Railway Departments of South Australia and Western Australia. There are

many other economies that can be considered, and some are much nearer home. We could effect a saving of £8,000 by the abolition of the office of the State Governor. In these times, we should be able to dispense with a luxury of that description.

The Minister for Country Water Supplies: Is that amount being spent now?

Hon. G. FRASER: No, but we know it has been paid until quite recently.

Hon. Sir William Lathlain: Let us get out of our present troubles before we consider that sort of thing.

Hon. G. FRASER: That is one of our troubles, the fact that we have to pay £8,000 for the purpose of having a Governor. I am not in the confidence of Cabinet and I do not know what their intentions may be. I know we were paying that amount up to a few weeks ago, and we may be paying it in a week or two hence.

Hon. Sir William Lathlain: I hope we shall.

Hon. E. H. Gray: You are not consistent.

Hon. G. FRASER: Sir William supports a Bill that will reduce wages and salaries by upwards of 22½ per cent., and then hopes that the services of a State Governor will not be dispensed with!

Hon. Sir William Lathlain: My salary is down much more than 22½ per cent.

Hon. G. FRASER: Then the hon. member should support my suggestion that a saving of £8,000 should be effected under that heading alone. Another economy that is advocated outside Parliament but is rarely heard of inside this Chamber is the abolition of the Legislative Council with a resultant saving of about £20,000.

Hon. C. B. Williams: Are you serious!

Hon. G. FRASER: I am. In my opinion, the legislation necessary in this State could be attended to by one Chamber.

Hon. J. Cornell: Let it be this one.

Hon. W. J. Mann: What! Thirty members on the dole?

Hon. G. FRASER: We have one State that has the one Chamber, and I have not heard of any grave troubles there.

Hon. Sir William Lathlain: Where is that?

Hon. G. FRASER: Queensland.

Hon. W. J. Mann: They are restoring the second Chamber.

Hon. G. FRASER: I have not heard of any trouble resulting from the abolition of the Upper House.

Hon. E. H. Harris: You have not been there to hear.

Member: What about Mungana?

Hon. C. H. Wittenoom: Mr. Collier has said, "Thank God for the Upper House."

Hon. G. FRASER: One swallow does not make a summer. Recently I said, "Thank God for the Upper House," because this Chamber threw out the Workers' Compensation Bill.

Hon. E. H. Harris: I thought you said that on pay day!

Hon. G. FRASER: No, I lived before I became a member of this Chamber, and I will live again.

Hon. C. B. Williams: We have very comfortable seats.

Hon. G. FRASER: The hon. member may find his as he describes it. I have found my seat hard and strenuous to retain. The hon. member does not live in his province as I do, and therefore does not have to work practically 24 hours a day. I seriously suggest that the saving involved in the abolition of the State Governor and the Legislative Council would greatly reduce the burden imposed upon many people who can ill-afford to shoulder it.

Hon. J. Macfarlane. What about the reduction of members in another place?

Hon. G. FRASER: I think the number in the Assembly is adequate, and the hands of members there are full in looking after the interests of the State.

Hon. C. B. Williams: Would you suggest a pension for life of those whose positions are abolished?

Hon. G. FRASER: Nothing of the kind. I am suggesting economies, and the question of pensions does not dovetail in with my contentions. There are many other ways in which State Governments could save many thousands of pounds, and I trust hon. members will vote against the Bill so that the Premiers will be forced to meet in conference again and arrive at some better proposition to place before hon. members. I am certain that a better plan could be devised, one that would be in the interests of the people much more than the proposals embodied in the Bill.

Hon. E. H. Harris: Then you are anxious that there shall be default straight away.

Hon. G. FRASER: It does not matter so much whether the default is now or later on; the Bill will not get us out of our difficulties.

Hon. Sir William Lathlain: Then you will not agree to what Mr. Scullin asks us to adopt?

Hon. C. B. Williams: Oh, we have rejected Scullin!

Hon. G. FRASER: It does not trouble me whether Mr. Scullin, Mr. Lyons or any other member of the Federal Parliament introduced the Plan. I am not prepared to vote for the Bill. I would prefer to see the Federal Government continue along the lines they adopted during the past 12 months.

Hon. Sir William Lathlain: And use the printing machine.

Hon. G. FRASER: To a small extent, yes.

Hon. C. B. Williams: To a large extent, is what we want.

Hon. G. FRASER: The main object the Federal Government formerly had in view was the nationalisation of the banking facilities of Australia and of the currency. I am sorry that Mr. Scullin, Mr. Theodore and Federal members who supported them showed the white flag when they came to the last ditch.

Hon. C. B. Williams: They have become wealthy men.

Hon. G. FRASER: Until steps are taken to draft our laws and control the credit of Australia in the interests of the people themselves instead of the shareholders of the private banks, Australia will never get out of her present difficulties. The Bill will not have that effect. On the other hand, I believe that under existing circumstances, in a very brief period we shall have to consider further similar legislation in order to make additional reductions in the wages bill of the Commonwealth. Should that happen, we will start the vicious circle of reducing wages down to the level of overseas countries with which we compete in the world's markets. Our action will be reflected in those overseas countries where wages will drop, and thus the circle will continue. I trust the Bill will be rejected and that legislation more suitable to the people of Australia will be evolved subsequently.

HON. W. J. MANN (South-West)
[9.10]: A stranger entering the Chamber and listening to the speeches of some hon. members would be quite justified in arriving at the conclusion that we are dealing wholly and solely with a Bill to secure a reduction of the basic wage. For an hour we have been listening to Mr. Fraser on

practically one theme alone. That was that the Bill was a direct attack upon the wages of the people of Western Australia.

Hon. G. Fraser: Of course it is.

Hon. W. J. MANN: I say distinctly that it is not. We are in the unfortunate position of being a country that has lived beyond its means.

Hon. C. B. Williams: And enjoyed it, too.

Hon. W. J. MANN: Now we have been brought up with a round turn, and we must look about for means by which we can overcome our difficulties. The Bill is one which provides the machinery that represents part of the Plan to secure the rehabilitation of the finances of Australia. One phase that strikes me in the preamble is the reference made to a common sacrifice. If we were to follow the suggestions offered by some hon. members, the sacrifice would not be common to all, but would apply to one section alone. One of our troubles in the past has been that we have given way to that sentiment too often. There have been too many exemptions from taxation and from imposts of various descriptions, and one section of the community has grown up with the idea that they should not be called upon to make any sacrifice at any time. To an extent I am in accord with some hon. members who do not quite agree with the incidence of the percentage reductions set out in the schedule to the Bill. Because I disagree to some extent with some provisions of the measure, that is not to say I am not in favour of the incidence of wage reductions in the Plan. I consider there should be some real sacrifice on the part of every member of the community.

Hon. C. B. Williams: Then we will put down the price of butter for a start.

Hon. W. J. MANN: It would be reasonable to reduce the proposed impost to be levied on the people handling the smaller amounts of wages, and those who are in the least favourable position to bear a wage cut. If I had my way I would start with a deduction of 5 per cent. and I would not enforce a reduction upon anyone in receipt of under £100. I would make that suggestion if people in receipt of £100 or less were not exempt from income tax and other such impositions. But as they enjoy those exemptions, I would be perfectly willing to suggest an alteration in the basis of the cut and start with 10 per cent. on those receiving £100 in wages.

Hon. C. B. Williams: Would you not take into consideration the responsibility of a man in receipt of £100?

Hon. W. J. MANN: I take everything into consideration. We have to realise that in these times, when everyone has to make a sacrifice, some will have to do so who, in ordinary circumstances, would not be called upon to bear such a burden. I do not know that I would go quite as far as Mr. Miles suggested; I believe there could be quite a number of steps in the proposed reduction, but I would not go higher than 25 per cent.

Hon. G. W. Miles: Then we would not get any result.

Hon. W. J. MANN: If we cannot do it in that way, then I join issue with Mr. Fraser and say that we should set about looking for other means. To say that we cannot set about rehabilitation except in this one way is to admit that we are bankrupt of ideas. I do not think that charge could honestly be laid against us.

Hon. J. Cornell: Not bankrupt of ideas, but barren of results.

Hon. W. J. MANN: I should like to make brief reference to the contention of Mr. Drew who said the Bill went a long way towards the suspension of the Arbitration Court. Several members have spoken in a similar strain. I do not see that it does any such thing. If we read the Bill carefully, we find that in Clause 14 certain fundamentals, as Mr. Cornell would call them, are laid down. There it is provided that if on the hearing of the application the court is satisfied that the national emergency with which the State is faced justifies it in making an order for a reduction of rates of salary, the court may make an order that the award or agreement shall forthwith be varied so that the rates of salary, wages or remuneration shall be reduced in accordance with the provisions of Part 2 of the Bill and the rates prescribed in the Schedule. Thus the court would take into consideration the question whether or not there is a national emergency existing, and in their wisdom they will make a variation accordingly; if not, the application will fail. I do not know that hon. members can raise any reasonable objection to a course of that description. With the exception of Mr. Drew, no other member has made any suggestion for rehabilitation, particularly of those unfortunate people who are unemployed. And I join with him in his contention that some method

should be adopted such as settling people on small areas so that they may go in for closer settlement. That is one of the matters that should be taken into consideration in collaboration with this scheme.

Hon. J. M. Macfarlane: Do you advocate an extension of the group settlement scheme?

Hon. W. J. MANN: I do not say that we should continue on the same lines as the group settlement scheme, but while we have gone a long way in the production of wheat, wool and other articles, and made splendid progress in dairying, there are still quite a number of other commodities that the State should set about to produce that would ease the position for quite a lot of people and bring some much needed wealth to this country as well as provide homes and comfortable living for many. Some hon. members, particularly Mr. Williams. I am afraid are not quite fully versed in respect of the splendid possibilities that parts of this State provide. Possibly some day we may be able to take those hon. members to the South-West and show them what is being done in the growth of tobacco. Quite a big industry is springing up and there is a good market and the price is also satisfactory. Each season now there is a distinct increase in the amount of tobacco being grown. If the scheme advocated by Mr. Drew were given effect, tobacco culture could be taken up by small men at no great expense, and they would be sure of a comfortable living. It may also interest some members to know that the Forests Department are about to make experiments in the cultivation of flax in the gullies of the South-West. These and other things we could honestly take up and they would assist to rehabilitate our people and bring back some prosperity to the State.

Hon. J. Cornell: What about sugar beet?

Hon. W. J. MANN: Unfortunately the climate where the growth of sugar beet has been tried is such that the sugar content is so low as to make it not a commercial proposition. I do not intend to labour the question; there will be ample opportunity for us to refer to the various clauses when the Bill is in Committee. There are one or two on which I hope to have something to say. I shall support the second reading.

HON. E. H. GRAY (West) [9.23]: Whilst recognising the serious state of the country and the necessity for the people to make sacrifices, I should like to say that when I first came to this Chamber it was a

pleasure to go about and note the great development that was taking place, as well as to observe the general good feeling throughout the State in consequence of the progress and the wealth that was being acquired by farmers and pastoralists. Nowadays it is just the opposite, and members of Parliament receive a lot of abuse, and severe criticism, from people who should know better. When we consider a Bill of this nature the question as to what salary a member of Parliament should receive should not enter into the matter at all, because no one would consider his personal interest when debating a subject of this kind. Personally, recognising that there are 400,000 people in the Commonwealth unable to get work, and the fact that there are nearly 40,000 people in this State who are practically starving, just subsisting on the dole, must influence us to a great extent in considering a measure of this character. Public men brought into touch with the position as we find it, must feel as I feel that the awful poverty and distress amongst our fellow citizens are appalling, and I am loth to support a Bill which will only mean increasing that distress. No one has effectively answered the assertions that the Bill must cause more unemployment, especially in the near future. There are clauses in the Bill that will tax little children, many of whom have to put in all their wages to keep the family fires burning, to keep food in their homes, to prevent their unemployed parents from starving. When the parents apply for sustenance, the question of the children's wages, amounting to perhaps 15s. a week, is taken into account when the dole is handed out, and the amount is deducted. And it is on these children in receipt of about 15s. a week that the deduction of 18 per cent. is to be made to apply. The passage of the Bill will increase unemployment. If it is carried, the Government and the people will have to take such stronger measures to meet the crisis; the Government will have to marshall their food supplies. I am compelled to say also that I must vote against the provision whereby the man on the basic wage and below it will come within the scope of the Bill, knowing as we all must know that it must seriously increase the suffering and misery now existing amongst so many people in this State. With Mr. Kitson I think the Plan as prepared by Mr. Scullin will not solve the difficulties it sets out to do. I be-

lieve that the difficulty will eventually be solved by international action, and it is pleasing to know that the cordiality of the international feeling amongst European nations is increasing. There is no doubt whatever that the recent visit to France of Mr. Ramsay MacDonald and his colleagues, and to Germany also, was a big step in that direction. Our salvation lies in international co-operation. It is pleasing to me to note, after for 30 years standing behind those who have preached this policy, that definite proof is being afforded that the salvation of the peoples of the world lies in international action, international brotherhood, and international co-operation. Mr. Cornell referred to certain nations that are not suffering from the economic crisis, and mentioned such countries as Scandinavia and the Netherlands. The people there are agriculturists, raising cattle, producing milk, butter, pigs, and poultry. They went along very well during the war and sold enormous quantities of goods to the nations that were engaged in that great conflict. If we look at the Dependencies of, say, the Netherlands, what do we find? Java is one of those Dependencies, with a population of coloured people running into many millions. Once those people connect up with international commerce they suffer just as much as does any part of Europe or Australia. Java is, perhaps, one of the richest countries in the world. Its food supplies are grown practically without any labour. Its warehouses are full of commodities, yet its population is in a state of dire distress. Where do the arguments of hon. members come in when they say that low wages will re-establish our prosperity.

Hon. G. W. Miles: Who said they would re-establish our prosperity?

Hon. E. H. GRAY: There are millions of people in Java who are working long hours for very little pay, and an immense amount of food can be produced there with very little trouble. Notwithstanding this, the people are in great distress, and are suffering just as we are here, if not to a greater extent. This proves that wherever international commerce comes into play, whether the wages are high or low, there is some still graver reason for the state of affairs that exists than the pushing down of wages. If lower wages were the cure, the coloured races of the world would be immensely prosperous. But we know their

suffering is greater than ours. I object to the Bill because it inflicts too much suffering upon people who are not able to bear the burden. I recognise that the country is in a serious condition financially, but I hold that other methods could be adopted to meet the situation. It has been said in this Chamber that we are living beyond our means, that our standard of living has been too high. As a representative of the working classes I hold that the man on the basic wage has not been having a good time, even in the heyday of our prosperity. They were not having a good time when the production and development of this State were hailed all over the Commonwealth.

Hon. G. W. Miles: Because the workers would not lay more than 300 bricks instead of 1,000.

Hon. E. H. GRAY: Because of the position that existed then, the Arbitration Court was obliged to raise wages, notwithstanding which the housewife found that her expenses had also gone up, and that she was very little better off than she was before.

Hon. G. W. Miles: It was the slowing-down policy.

Hon. E. H. GRAY: No one can say that those on the basic wage, who comprise the big bulk of our people, had a good time in the heyday of our prosperity. It is said the farmer is having a bad time, but for many years he had a hectic time.

Hon. G. W. Miles: You got away from the land very quickly.

Hon. E. H. GRAY: In many cases he lived beyond his means. The farm labourer did not have a hectic time, because the farmer did not pay him a high wage and he was not under any influence from the Arbitration Court.

Hon. J. Cornell: I have seen farm labourers having a hectic time.

Hon. E. H. GRAY: Farm labourers have been driven from their jobs, because the farmers who were employing them took on cheap alien labour. The man I am sorry for is the farmer or pastoralist who, during good times when prices were high, put all his money back into the development and expansion of his property. Most of those people thought the high prices were going to endure forever, and I cannot give out much sympathy for them, except that one must always be sorry for those who are in actual distress. When members speak of the plight of the farmer, they must remem-

ber he is not in the sorry plight of the man who is out of a job. A farmer of any standing at all is always able to supply his table on the basis of a good standard of living. He can keep up a good tucker supply for his family, whereas the man on the dole is compelled to live a meagre existence. Too much stress is laid on the farmer's plight and his personal suffering. He should not have to suffer physically, for he should be able to produce on his holding practically all the food he requires. He may be suffering from want of money and the reduction in prices may make it impossible for him profitably to work his land. The person who is suffering all the time, however, is the man who is out of a job. The numbers of this class of individual will increase as the result of this measure. I do hope Mr. Miles, or some other member, will secure an alteration to the scale of deductions.

Hon. G. W. Miles: I have already given you a scale.

Hon. E. H. GRAY: I am quite ready to support the hon. member in improving that part of the Bill. If we can produce a Plan that will throw the burden of sacrifice on those who can bear it, and allow the bottom dog to escape as much as possible, we shall enhance the reputation of this House. I shall vote against the second reading.

HON. SIR CHARLES NATHAN (Metropolitan-Suburban) [9.37]: When dealing with this Bill, we must take into consideration the circumstances which necessitated its introduction. No member of this House or another place, or any person in Australia, could with any degree of pleasure welcome the introduction of a measure designed to reduce the wages of the working man or of anyone else. There can be very few men who will be of opinion that legislation of this kind will bring prosperity back to Australia. Most sensible people will realise that the true index of prosperity is the capacity to pay high wages. To that extent any reduction in the rate of wages must necessarily reduce the prosperity of the country as a whole. In the submission of legislation of this kind, the Government must be prompted only by the dire necessity of the position, otherwise no set of legislators would suggest such a step being taken. What are the circumstances leading up to the introduction of this and similar Bills? Australia carries an indebtedness of something over £1,117,000,000, bearing interest charges amounting to over £56,000,000.

The Commonwealth deficit for the last financial year exceeded £28,000,000, and the deficit of this State amounted to over £1,000,000. We therefore have to tap all available sources of credit. To-day the Governments of Australia are faced with the position that they have to meet their outgoings by their daily incomings. Credit in London is closed to us, and the banks are practically up to the limit of the overdrafts they can allow. Consequently, if men are to be paid their wages, we must find some means whereby they can get their money. We must do this from our own resources. In these circumstances I fail to see how the Governments of Australia could have adopted any course other than that which they are pursuing. In their wisdom they consider that a reduction of approximately 20 per cent. in their annual expenditure will balance their Budgets. The balancing of Budgets is merely a preliminary to other steps which will have to be taken if we are to overcome the difficulties with which we are confronted. These difficulties are not entirely of Australia's making; indeed, they are conditions which are world-wide. Until these conditions become more favourable the only thing we can do in Australia is to endeavour to hold the fort the best way we can. I do not say that a reduction in Government expenditure in this State of £800,000 will help the position to any extent. It will certainly not make for prosperity, but it may help to stop the drift that is taking place, and the amount of unemployment which daily becomes greater. That is our main objective. We do not hope that this saving of £800,000 will bring us back to prosperity. Indeed, it will not be a saving of £800,000. It will, however, afford us a better chance to keep in work those who are now in employment, and avoid the necessity for adding to the embarrassment of all concerned by causing a greater number of persons to be thrown out of work. To my mind this is merely the first step towards the Plan which is designed to assist us to get out of the difficulty we are in. In this State we are paying for unemployment relief at the rate of £50,000 a month, or £600,000 a year. By the economies set out in this Bill we hope to save £800,000. But if we bear in mind that the Plan is designed for the purpose of enabling us to re-establish our credit in other parts of the world, we must see how essential

it is that something of the kind should be done. The incidence of the reduction is a matter on which I may touch later; but that the reduction is essential I think almost everybody will agree. I fail to gather from those hon. members who have made up their minds to vote against the Bill, just what they propose to substitute for it. There is one way in which Australia might rapidly become re-established, and that is by an increase in the prices of the primary products on which we depend. But what possibilities are there in the immediate future of those prices reaching such a level as to enable us to re-establish ourselves by that means? The position, it seems to me, arises largely, as Mr. Kitson has pointed out, from the accumulation of gold by two of the world's nations. Until some means can be devised by which that gold can again get into circulation, I fail to see what prospect there is for rising prices of our primary products. It may be that the nations of the world, realising the position to which we are all drifting, may endeavour to arrive at some method by which credit can be re-established. But, in the meantime, what are we in Australia to do? Are we to sit down and let things drift? Is unemployment to become greater? Are the hardships to become more pronounced than ever? It is absolutely essential that something in the nature of what the Bill proposes should be done until such time as our primary products reach something like payable prices. As regards the possibility of the re-establishment of those prices, I have here a little table which illustrates the position, and which I ask permission to read. It shows the position in which the gold of the world is at present held. The table was issued in the House of Commons on the 6th March last by the Secretary to the Treasury. It points out that of the available gold in the world, £1,735,000,000, the United States hold £969,000,000, France £447,000,000, Britain £146,000,000, Germany £115,000,000, and Italy £57,000,000. In other words, the United States hold 55.85 per cent., and France holds 25.8 per cent. Those two countries hold nearly 82 per cent. of the world's gold. In those circumstances it is hard to see where the rest of the world is to find money or credit to purchase the commodities which we produce. Until such time as that gold can again be got into circulation we will need to wait until the prices of our primary products again reach

something like production costs. In the meantime, unless we are to have stagnation, it is absolutely essential that Australia should try to balance her Budget, with a view to possibly seeking relief by borrowing further sums abroad. I think the Premier has at times been unfairly treated in the criticisms levelled at him in regard to this method of assisting us out of our difficulties. When we bear in mind that Australia has to provide annually a sum equal to about £10,000,000 for exchange, and that the borrowing of a sum of, say, £30,000,000 in England would save us that annual £10,000,000, and would largely assist to reduce unemployment in this State, it does not seem to me to be such a wild cry as has been suggested that we should at the earliest possible moment again approach the London money market. But the London money market cannot be approached until such time as the Australian States have shown their earnestness in endeavouring to balance their budgets. The Premiers' Conference, after much labourious work and many weeks of consideration, have evolved a Plan. That Plan, the first step to which is before us to-night, necessitates the reduction of wages and salaries by 20 per cent. I think this House would be very ill-advised indeed if it rejected that Plan. Nothing but chaos could result. Not only is this a Plan designed for reduction of wages and salaries of Government employees. That is not sufficient. Wages and salaries throughout the trade and commerce of Australia must be reduced in like proportion. Members ask why the man on wages or salary should suffer. The whole of our outgoings practically are in wages and salaries during such times as these, and men can only receive their wages and salaries if those who employ them are in a position to pay. Very few people realise just how closely up to serious financial embarrassment are the financial institutions and the commercial concerns of Australia. Unless we can preserve the financial stability of our banks and our mercantile houses, there is going to be very little work for anybody, and very little money for sustenance. So that, after all is said and done, this is merely a measure of sacrifice intended to prevent, if possible, the catastrophe from becoming greater. In those circumstances, much as we all deplore it, much as we all feel the misery it may cause in some directions—though that misery cannot be nearly

so great as the misery suffered by those who receive no wages at all—there is no alternative but the adoption of the Plan. I hope that hon. members will not, in their zeal, endeavour so to alter and whittle away the provisions of the Bill as to make it impossible of acceptance by the Government. After all, the responsibility is on the Governments of the day to keep Australia solvent, and to keep the maximum possible number of men and women employed. So far as this Chamber is concerned, I trust that before the night is out we shall be enabled to feel that we have done a job of duty, if not a very palatable job, and have passed this measure. I support the second reading of the Bill.

HON. H. SEDDON (North-East) [9.56]: Like the previous speaker, I feel that in approaching this Bill one has to realise, though it has perhaps not been generally admitted, that we are in the preliminary stage of what has become an international economic war. Just as at the commencement of the Great War it took the nations a long time to realise what they were up against, so our Federal Government and our State Governments have taken quite a long time to realise that they are engaged in a struggle which, before it is finished, will tax the resources of this country to their utmost limit. We are engaged in the opening phase of the campaign, and we have at last decided that it is necessary to mobilise to a certain extent the resources of our nation. That mobilisation is to take place in the form of the Plan which has been laid before us, one part of which we have already adopted in the Bill carried a fortnight ago, and the second part of which we are dealing with to-night. The battleground of this war is upon that most sensitive and delicate region, the welfare of humanity. I am inclined to think that the very delay which has occurred has tended to make the struggle far more intense, because, after all, the main effect of the war up to the present has been felt in reduction of employment and extension of human misery. Where I find fault with the Plan is that it has been directed more by the idea of obtaining relief and balancing our budgets, whereas the primary object should be re-employment. I think it is generally admitted that the best course for a nation to adopt, as for a man to adopt, when a war is on is as far as possible to keep out of it.

In approaching the position of Australia I would say that our best plan would be to keep as far as we can out of this war. But we cannot. We are in it to a large extent, and we are going to be drawn into it a great deal more. Objections have been raised to the reduction which has been placed upon the man who is on the low rate of pay. I feel, with Mr. Gray, that there is a man who is in a far worse position than that—the man who is unemployed, the man who, with his family, has to exist on the meagre amount of sustenance that we can make available to him. I suggest that perhaps a better way of approaching our troubles would have been to introduce such a reduction as is provided for in the Bill but to devote the whole of the funds raised in that manner towards the establishment of employment; for I am convinced that the State itself would benefit in every respect by the flow of money circulated through employing people who at the present time are simply sustained on the minimum rates of the dole. May I, in passing, refer to an extract from a publication of the International Labour Bureau, dealing with the question of the raising of money to carry out public works for the relief of unemployment. Under that heading some interesting data have been compiled. A Mr. Vernon Mund has tried to work out the velocity of money in order to measure the effect of public works. The following is the quotation I wish to make:—

Mr. Vernon Mund tries to work out a velocity of money technique in order to measure effect of public works. He says that "the ultimate effect on the annual wage total of the multiple spending of the construction payments will be determined by the total amount of consumers' goods thereby called for. This amount will in turn be determined by the number of times that the construction money is spent, and by the extent to which it is spent for consumers' goods."

Professor Wesley Mitchell's estimate is that the average velocity of bank deposits in the U.S.A. varied from 8.8 times a year in 1919 to 25.1 in 1925, and of coin and paper money approximately 26. It may therefore be assumed that the velocity of circulation of money in a year of depression is 25.

An estimate has also been made of the proportion of income in U.S.A. which is spent in retail shops. The "Nystrom-Mann" estimate gives 54 per cent. in 1919, 58 per cent. in 1920, 61 per cent. in 1921, 57 per cent. in 1922, 50 per cent. in 1923; hence 50 per cent. of individual incomes is spent in consumers' goods in retail shops.

Mund says when money incomes of individuals flow back through retail shops, the route is consumer to retailer, retailer to

wholesaler, wholesaler to manufacturer, manufacturer to producer raw materials, producer raw materials to consumers; hence money has a turnover of 5 in ripening one lot of consumers' goods, and as money has a turnover of 25 per annum it follows there will be 5 batches of consumers' goods ripened in a year as a result of payments for public works.

The final conclusion arrived at is:—construction expenditure means income to the recipients thereof; these will spend 50 per cent. in retail shops for consumers' goods; 80 per cent. of the value of a given batch of consumers' goods will be paid out to labour in the form of wages; 5 batches for consumers' goods are ripened in one year.

Hence, the recipients of construction expenditure spend 50 per cent. for goods of which 80 per cent. goes in wages, 80 per cent. of 50 per cent. = 40 per cent. of their expenditure provides wages. As 5 batches ripen in a year the total wages resulting will be 200 per cent. of the construction appropriation. By advance planning of public works the situation of the labour market in its subjection to industrial fluctuations can be materially affected.

I have introduced that extract because I think it indicates lines that this and other State Governments might well explore to the advantage of the people. It involves an attempt to relieve our depression by concentrating whatever money they save, in the direction of providing employment. I shall refer to certain figures I quoted some time ago when we were first entering upon this state of depression. I analysed the production per head in our various industries in Western Australia, and in applying them to the imports at that time showed that we could employ in manufacturing agricultural products that we imported, no fewer than 2,575 persons; in pastoral products, 556 persons; in dairy products, 1,556 persons; in forestry and fishery products, 1,130 persons; in mining products, 280; and in manufacturing products, 45,629 persons. Those figures disclose that 51,726 persons could find employment if we were to embark upon a determined effort to supply the whole of our requirements that we now import. Those figures in conjunction with the others I previously read, indicate a line of recovery we should follow, which is that advocated already outside Parliament. That line is the development, so far as possible, of the production locally of goods we consume and the encouragement of our own people to spend their money on the purchase of local products. There are certain factors operating to-day that should help us towards recovery even more than the

Plan itself. There has been a considerable increase in efficiency, and that is working all to the good, because it is helping us in the production of our own requirements. Although the Plan has been severely criticised in that it may, and probably will in its early stages, cause increased unemployment, I am convinced that in the long run it will make for greater employment because it will mean spreading the money now being spent in wages and salaries, among a greater number of people, and that will mean increased employment. In that direction there is an argument in favour of the Bill. I find myself in this position: Although I may be inclined to criticise and oppose the Plan, from the standpoint that it does not altogether get down to the real problem we are trying to grapple with, I am really committed to it by reason of the actions of this House. A fortnight ago we passed the first portion of the Plan, under which we adopted the principle of debt conversion. I opposed that legislation, but the House agreed to the Bill. As a result I find myself committed to carrying on the remainder of the Plan. After all, the step taken by the House on that occasion has effectively closed the door to the raising of future loans in Australia. The conversion loan will go through, because it is more or less a forced loan. I contend that any attempt to raise money in Australia in the future will meet with failure, because those people who in the past trusted us, will say, "We are not justified in trusting Governments, because we find that Governments have not fulfilled their obligations."

Hon. E. H. H. Hall: If they cannot help the country, they will not be helped themselves.

Hon. H. SEDDON: I am just pointing out the view that will be taken by a large number of people. As Mr. Drew explained, the amount of capital available has been seriously diminished. For the advancement of the policy of promoting local production, it is necessary to secure funds. A large amount of capital must be made available in order that the necessary equipment may be provided to put the various processes into operation. Taking the Commonwealth figures as correct, we find that capital amounting to £500 per head is required to provide for manufacturing purposes in Australia. If we multiply 51,000 persons by that amount, we will arrive at the total capital requirements for the purpose of set-

ting industries going here. In the past that capital has been provided by the thrift and savings of our people, whether small or large investors, by the conservation of wealth made available in sufficiently large quantities at the right time to enable such concerns to be put into operation. We have seriously shaken the confidence of capital, and because of that, capital is no longer available. We are thrust back on to our own resources. The Plan is an attempt to live within our own resources by reducing the amount that each individual now employed can receive, and by spreading the amount of the savings over the rest of the community. The effect of that will be to take off the labour market a considerable number of those who are drawing sustenance at present. The Plan will be more than justified if we are able to restore to some of those people a measure of the comfort they enjoyed prior to being deprived of their means of livelihood. On reading through the Bill I found that there were some points on which I should like the Minister to give us some information. Paragraph 6 of the proviso to Clause 7 reads—

No variation in the basic wage shall affect the rate of salary of an officer unless such variation reduces the basic wage by an amount of 20 per centum of the amount of the basic wage declared as at the 30th day of June, 1930.

I would like that point more clearly explained than appears on the surface. I understand anomalies have arisen in connection with the remuneration of certain officers of the Public Service, and that their positions may be seriously affected by that clause. Subclause 8 of Clause 7 demands the attention of members. It reads as follows:—

The Governor may by notice in the "Government Gazette" exempt any officer from the provisions of this section or vary the rate of reduction prescribed in respect of the salary of any officer where it is shown to his satisfaction that there are special circumstances which warrant such exemption or variations.

It appears to me the powers given under that provision are very wide.

Hon. J. M. Drew: Unlimited.

Hon. H. SEDDON: Practically unlimited. It says the Governor may by notice in the "Government Gazette" exempt any officer from the provisions of this section. And it must be remembered that under the definition of "officer" we have members of Parliament. Here then is power given to the Governor

whereby the whole Bill might be set aside; he could if he thought fit nullify the whole of it. It seems to me that provision requires close scrutiny with a view to amendments providing some safeguard against abuse. Another point is the alteration that has been made in another place whereby the employer must now go to the Arbitration Court in order to obtain the benefit of reduction. I myself do not subscribe to the views of other members who have touched upon this, for I consider this is a step in the right direction. Some time ago when members of this House and another place were approached by certain unions appealing against the action of the Government in regard to certain reductions, I took the stand that as the control of wages was the function of the Arbitration Court, those unions should seek redress in the court rather than endeavour to influence members of Parliament in respect of dealing with their awards. So I say in connection with the Bill that regarding variations, the right course is for those endeavouring to secure the benefits of the Bill to go to the Arbitration Court. On the other hand of course there is the over-riding provision that there shall be a reduction of 20 per cent. all round, simply because we are passing through a time of national crisis. That national crisis has now taken on the aspect of being part of the world economic war in which we are all engaged. But if an attempt is to be made to keep this country a unit in the world economic war, and if that attempt is going to take the form of reducing our standard of living to any material extent, we shall have very serious trouble. I think the salvation of Australia will be found more or less along the lines of being self-contained and endeavouring by means of that policy to keep our standard of living as high as possible. I can see Governments being compelled to mobilise all our export credits for the purpose of trying to meet obligations for overseas payments on Government accounts. We have a long road ahead of us, but I am satisfied that Australia will come out of this crisis with just as much credit as we gained in the world war. I realise the people of the country are prepared to make sacrifices and to carry them to a greater extent than they are asked to do to-day so that the country may win through, and that we may retain our national standards and our pride. Although

the Bill asks for a sacrifice of 20 per cent., that is not anything compared with the sacrifice some are making because of unemployment. So we are justified in making the sacrifice, because it is going to diminish the increased army of unemployed that is coming upon us. I will support the Bill.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [10.15]: I have listened carefully to the views of members. Whilst some have readily grasped the fact that the State is in extreme financial difficulties and that the whole structure of governmental and commercial finance will collapse if this Bill be rejected, others cannot or will not see that the alternative to the proposals would be wide-spread distress in consequence of the discontinuance of relief measures owing to the absence of accommodation from the banks, with which the Government are succouring the people. That is the stark alternative before the State, and those who urge the rejection of the Bill or propose amendments obviously unacceptable in securing a common understanding, and in that regard are prepared to abuse the fundamental principle of the Plan—equality of sacrifice—are but urging us to financial disaster. However reluctant we may be to do the things proposed in this Bill, however unpleasant they may be, the urgency of the position of this State compels us to face the unpleasantness of doing it, and notwithstanding political considerations we must do it deliberately in this measure. It is now too late to talk of other proposals or to devise methods whereby sections of the people can escape a share of the burden to be borne by the community in the struggle to better days.

Much has been said about the application of the Bill to industrialism, and it has been argued that the worker should not contribute to the success of the Plan before us. One effect of the times we are passing through is to exhibit one of the deficiencies in our Arbitration Act as compared with the Arbitration Acts operating in the Eastern States. It is true that Mr. Hill, the Premier of South Australia, has achieved through the channels of arbitration very large reductions in salaries and wages. 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. Here we are faced with a rigidity of system which prevents the Government and employers from going to the court and asking it, with any hope of success, to alter the rates of pay for employees on the ground of national emergency. If the part of this Bill that applies to unionism is struck out, and if employers go to the court, they will be told by the president that he has no power to accede to the request for relief from the wage rate, which is so much in excess of the Federal basic rate and the rates obtaining elsewhere. If employers here are not to have the opportunity to satisfy the court of the inflated basic rate in this State as against the Federal basic rate and other lower rates, to permit of the survival of State industries, then the workers under State awards will assuredly be overtaken by the nemesis of unprecedented unemployment. To maintain otherwise is useless.

Mr. Drew referred to Subclause 6 of Clause 7 and pointed out that a rise in the cost of living was not provided for. That is so. 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 inability of the Government to continue paying, it should be apparent that the paragraph must be retained. We have to get a 20 per cent. reduction on the rates that prevailed at the 30th June, 1930, irrespective of any rise or fall. That is the basis of the Bill, and if we provide for a rise in the rates, the provisions of the measure will be thrown out of gear.

Unfortunately the effect of this Bill is not only to reduce rates of pay in accordance with the fluctuations in the cost of living, but also to reduce the real wages necessitated by the national emergency. The prospects of a rise in the cost of living during the term of the Act are very remote. Last quarter's figures show a further decided drop, and there is reason to believe that there will be other material reductions during the life of this proposed Act. 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, the Government should soon be in a position to throw over-

board this obnoxious measure. 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.

The Government have taken as a model what the Federal Government proposed at the conference. In effect the Federal Government have put into law substantially what they proposed at the conference. As regards adult workers reduction is not to bring the rate of remuneration lower, in the case of adult males, than £185 per annum, and in the case of adult females, £100 per annum. Those amounts will be 18 per cent. below our basic wage as at the 30th June, 1930, and yet the workers referred to will still receive more than the rates fixed by the Federal Court. Juniors are not exempted. The young man of 18 without responsibilities is perhaps a better mark for taxation than the man of 35 who is married and has four of five children. No doubt there are many juniors who are required to assist in the upkeep of homes. However, in applying the Plan, we cannot provide for harshness in individual cases. Such workers must suffer the general reduction, which perhaps will be more cheerfully undertaken by those without home ties and responsibilities.

Mr. Drew mentioned that the Commonwealth scheme does not reduce the salaries of officers except those receiving over £185 per annum, but he overlooked the fact that the salaries and wages in the Federal sphere are based on the Federal basic rate, and that they have already been reduced below even the rates proposed in this Bill. In this State there are few highly paid officers compared with the services in the Eastern States and that of the Commonwealth, and it is therefore very difficult to spread the proposed reduction of 20 per cent. in this State so that lower paid officers would bear a low rate of reduction as is provided in some of the Eastern States. The Government Actuary and other officials have not succeeded in doing it, but evidently some members intend to try to do it, and by so doing will upset the whole Plan. If we followed the scale in the Victorian measure, the 20 per cent. reduction in the total expenditure would not be obtained, and for that reason the Government have been compelled to adopt the scale set forth in the Schedule.

We must not beggar the higher paid officers so that the lower paid officers can wriggle out with an unnoticeable reduction. Moreover, it must not be forgotten that the officers in receipt of higher salaries have also to bear fairly stiff Federal and State income taxation. Those taxes hit the higher paid officers more than the lower paid officers, who mostly belong to the vast army of non-tax-payers owing to the benevolent exemptions in the taxation Acts bestowed by the legislatures, Federal and State. The exempted persons, too, are usually living on the public purse in times of depression. They have the advantage of free educational facilities for their children, and are ever ready to seize other free services at the expense of the higher paid tax-paying officer.

Hon. G. W. Miles: That applies also to the higher paid officers.

Hon. J. Cornell: Yes, they all have their hands out.

THE MINISTER FOR COUNTRY WATER SUPPLIES: We would have a better sense of responsibility in the community at large if all were required to make some small contribution to the public purse. Mr. Nicholson suggested the restoration of the original clause dealing with the variation of awards and agreements, and expressed the opinion that delays would result if the present clause were retained. I am afraid the hon. member has only cursorily examined the Bill. Sub-clause 3 of Clause 14 provides that, if possible, the application shall be heard within 14 days and, under subclause 6, the court may dispense with further evidence and argument in respect to other applications. I ask the hon. member to examine closely both the old and the new clauses and, when he does, I feel sure he will conclude that the new provision offers less possibility of obstruction than the original clause.

Regarding the application of the Bill to allowances, each case will be considered on its merits. In some cases allowances are really extra payments. Where a man receives something to recoup him for expenses he is put to, the Government will not regard that as part of his salary. If a dispute arises as to whether a particular remuneration payable under an award is to be subject to the cut, the Arbitration Court will determine the question. It is not desired that

allowances paid to workers to recoup extra expenses should be treated as part of their salary or wages. The allowances represent a comprehensive list, and it would be impossible to define them in this Bill. It would be difficult to separate those that represent merely extra wages from those that are recoups for expenditure incurred. The Bill proposes that the Governor shall have power to exempt allowances, and in exercise of that provision the Government will deal with cases put forward that certain allowances should be treated as recoups and not as additional wages. If everything that is called an allowance in awards or agreements were exempted, it might be a serious matter in bringing about the 20 per cent. reduction. In reply to Mr. Miles, I would say that the Government do not intend to legislate for the reduction of interest on fixed deposits.

Hon. G. W. Miles: Is there any hope of that being dealt with by the Federal Government?

THE MINISTER FOR COUNTRY WATER SUPPLIES: The matter is before the Loan Council now. Mr. Harris referred to a statement made by the Attorney General regarding district allowances. He did not agree that reductions already made in district allowances should be part of the cut. If they were, the Government would lose £26,000. Mr. Stevens, the Secretary of the Civil Service Association, is aware of the attitude of the Attorney General, who feels that some misunderstanding has arisen. Mr. Harris also referred to the basic wage. It is understood the quarterly figures have been supplied to the court, and they are presumably under consideration. Mr. Cornell asked a question about the application to the Bill to mortgages held by the Crown. It will probably be found that the money has been borrowed from abroad at 6 per cent. The Crown must be able to apply the position accordingly. The position of the banks is being reviewed by the Loan Council. The reply given by Mr. Davidson, General Manager of the Bank of New South Wales in Australia, to a deputation of graziers that waited upon him some nine or ten days ago, may prove of interest. The extract I have is as follows:—

An announcement had been made on June 20th to the effect that "rates on advances generally will be reduced in due course." To the last words "in due course" the Sydney banks did not agree, and on their behalf Mr. Davidson made a simultaneous announce-

ment in the Press that "the rates on advances generally will be reduced." Since then the banks generally have been exploring the best way in which reductions could be made, having in view the maximum immediate stimulus to be gained by any sacrifice of profits on their part. There was no call, Mr. Davidson continued, for the immediate announcement of the precise incidence of any bank's reduction. Interest payments on advances were charged up at the end of each half-yearly period. Thus, in a bank which balanced its books on March 31st and September 30th, the next interest payment would be charged at the end of September. It could not be rashly assumed that a flat all-round cut of 1 per cent. would be of the greatest benefit to industry. To some industries a change of 1 per cent. in the cost of borrowed money would be of no decisive importance, while in others, especially to pastoralists, farmers and graziers, interest on advances of working capital was an all-important item. The fact that the bank was making reductions in the rate of advances before the benefit to it of reduced interest on deposits had accrued, entitled it to pick and choose in extending relief to its customers. By discriminating in the reduction, bringing the rate down at once and by one or more per cent. to those in greatest need of relief, each bank could ensure that the benefit to the community by any sacrifice of profit it makes would be at its maximum. Prior to March 31st last (before the conference of Premiers had drawn up their Plan of reconstruction) the Bank of New South Wales had already made reductions, mainly among its exporting customers, which had brought down the average rate of interest on all advances by 5/6 per cent. The bank was now making a careful survey of all accounts with the aim of spreading further reductions, which would bring down the average rate on its advances to a full 1 per cent. lower in the half-year ending on September 30th than operated 12 months earlier. It was known, added Mr. Davidson, that other banks were investigating the position of their accounts with a view to similar action. In the circumstances, he held it to be premature to represent the banks as moved by domestic and proprietary considerations only. Such things must, of course, be taken into the calculations on which must be based such a big move as that in which the banks were engaged. It is understood that the General Manager of the Commercial Banking Company of Sydney concurred with Mr. Davidson in making this statement.

Hon. J. M. Macfarlane: All camouflage.

THE MINISTER FOR COUNTRY WATER SUPPLIES: I am sorry for that interjection, because it is not so. I know that. Mr. Fraser dealt at great length with paragraphs (b) and (d), and subclause 1 of Clause 7. Unfortunately he read the paragraphs in the wrong way. They are there to overcome the evil the hon. member wants

to overcome. I appreciate particularly the remarks of Mr. Cornell who answered a lot of criticism effectively, and saved me the trouble of doing so. Great difficulty has been experienced in arriving at the most equitable system of securing the 20 per cent. reduction. Any disturbance in the direction indicated by members may destroy what the Government desire to set up in carrying out the plan of rehabilitation. I ask members to realise the importance of this legislation. I have no doubt the Bill will pass the second reading, but I urge members seriously to consider before making any alterations to it. Outside of the actual reference to the Arbitration Court, the remainder of the Bill is uniform with that which has been introduced to other State Parliaments. I have already explained the difference between our Bill and the corresponding measures of the Eastern States. That matter can be further dealt with in Committee.

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

Ayes	..	..	..	..	18
Noes	..	..	..	..	5

Majority for .. 13

AYES.

Hon. F. W. Allison	Hon. J. M. Macfarlane
Hon. C. F. Baxter	Hon. W. J. Mann
Hon. J. Cornell	Hon. G. W. Miles
Hon. J. Ewing	Hon. Sir C. Nathan
Hon. J. T. Franklin	Hon. J. Nicholson
Hon. F. H. Hall	Hon. E. Rose
Hon. V. Hamersley	Hon. H. Seddon
Hon. E. H. Harris	Hon. C. H. Wittenoom
Hon. Sir W. Lathlain	Hon. G. A. Kempton

(Teller.)

NOES.

Hon. J. M. Drew	Hon. C. B. Williams
Hon. E. H. Gray	Hon. G. Fraser
Hon. W. H. Kitson	(Teller.)

Question thus passed.

Bill read a second time.

As to Committee Stage.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [10.44]: I move—

That the Committee stage of the Bill be made an Order of the Day for the next sitting of the House.

I trust hon. members will assist me in passing the Bill through Committee to-morrow, as it is of great importance that there should be no delay.

HON. C. B. WILLIAMS (South) [10.45]: I oppose the motion, on the ground that country members are entitled to some consideration. The position is all very well for metropolitan members. I understood from the Minister that the Bill would be taken into Committee to-night. As an opponent of the Government I have extended every courtesy and consideration to the Leader of the House. The Minister says he recognises that, but in fact he does not. A week or two ago I had to pair with another member in order to allow him to reach his home on Friday. The division has shown that only five members are opposed to the measure. Why not go into Committee now and thus enable country members to leave for their homes on Thursday evening? If the Committee stage is delayed until to-morrow, country members will have to spend a day in Perth uselessly. Why does the Minister seek to penalise his opponents? If the Bill is vitally important, it should be dealt with to-night. Then country members could proceed to their homes as usual. I must vote against the motion.

HON. J. M. DREW (Central) [10.48]: I hope Mr. Williams will not persist in his attitude. It is most unusual to endeavour to take the conduct of business out of the hands of the Leader of the House. No doubt the Minister has carefully considered the position. Numerous amendments have been suggested, and they are not on the Notice Paper, so that we have not had the opportunity of studying them. I would regard it as a serious responsibility if I attempted to take the business out of the Leader's hands.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [10.49]: I regret that Mr. Williams feels aggrieved. Personally I am quite prepared to proceed with the Committee stage to-night, but two or three hon. members have told me that they would like time for consideration. In postponing the Committee stage until to-morrow, I thought I was meeting the convenience of members generally.

Hon. J. Cornell: The postponement will suit 24 out of 25 members.

Question put and passed.

BILLS (2)—FIRST READING.

- 1, Trustees' Powers.
 - 2, Mortgagees' Rights Restriction.
- Received from the Assembly.

House adjourned at 10.52 p.m.

Legislative Assembly,

Wednesday, 5th August, 1931.

	PAON
Questions: Farm labour, exploitation	4277
Taxation returns, lodgment	4278
Coal tenders	4278
Standing Orders suspension	4278
Bills: Fremantle (Skinner st.) Disused Cemetery	
Amendment, 1R., 2R.	4278
Pearling Act Amendment, 1R., 2R.	4279
Fire Brigades Act Amendment, 1R.	4279
Trustees Powers, 3R.	4279
Firearms and Guns, Council's Message	4279
Mortgagees' Rights Restriction, Com., Recom., 5R.	4279
Abattoirs Act Amendment, 2R., Com. report	4284
Motion: Secession referendum	4288
Adjournment: Special	4298

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

QUESTION—FARM LABOUR, EXPLOITATION.

Mr. RAPHAEL asked the Minister for Railways: 1, Is he aware that farmers who have assigned their estates and are working under trustees, have received instructions from their trustees to dispense with their permanent farm hands and engage labour from Blackboy Hill and Hovea camps, or the road boards of their districts? 2, If so, will he take action to prevent this exploitation by trustees in obtaining farm labour at the expense of the State?

The MINISTER FOR RAILWAYS replied: 1, No. 2, Answered by No. 1.