

Legislative Council,

Tuesday, 16th January, 1934.

	PAGE
Motion : Standing Orders suspension	40
Committees for the Session	41
Temporary Chairmen of Committees	41
Bill : Financial Emergency 1R, 2R	41

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

MOTION—STANDING ORDERS SUSPENSION.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.35]: I move—

That during the present session, so much of the Standing Orders be suspended as is necessary to enable Bills to be put through all stages in one sitting, and all messages from the Legislative Assembly to be taken into consideration forthwith.

The only matters that I know of that will be submitted for the consideration of the House are the Financial Emergency Bill and a motion seeking approval of the appointment of the Commissioner of Railways. The privilege Bill is not regarded as urgent. I feel that members are anxious to get on with the consideration of the Financial Emergency Bill as speedily as possible. It is practically the same measure as was before the House some weeks ago, when it was discussed at great length.

HON. J. J. HOLMES (North) [4.37]: In view of the importance of the Financial Emergency Bill, I think the Chief Secretary is asking too much. If the House granted him the suspension of the Standing Orders to enable the first and second reading stages to be taken and the debate to be continued, that should be sufficient. If one may judge by the list of speakers that has been going round, there is no hope of finishing the Bill to-day. If we suspend the Standing Orders so that we can take the first and second readings to-day, we can advance the consideration of the Bill a further stage to-morrow. Without having conferred with any other member on the matter, that is my opinion.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [4.38]: In common with Mr. Holmes, I shall be obliged to vote against the motion because I feel the Chief Secretary is asking too much. I cannot see the urgency for the consideration of the Bill in the manner suggested by the motion. I am unwilling to sit through a hot night in the middle of summer, as we did a few weeks ago. We hear about people being overworked and being taxed beyond human endurance, and the motion comes ill from the Chief Secretary at the moment. I am not prepared to sit through the night. I am agreeable to the suggestion advanced by Mr. Holmes, but I will not sit on until the early hours of to-morrow morning. There is no urgency about it. Members should be able to give the Bill full consideration, and come to a clear decision without having to sit throughout the night.

HON. C. F. BAXTER (East) [4.39]: It is for members to determine whether they will agree to the motion or reject it. It is customary to accept such a motion when introduced by the Leader of the House. Mr. Drew has acted as Leader for many years and I have yet to learn that he has attempted to push the House beyond reason.

Hon. J. M. Macfarlane: We were worked early and late last session.

Hon. C. F. BAXTER: If the Leader of the House attempted to go too far, it would be in the hands of members to determine when they should adjourn. The majority of members could decide such a matter, irrespective of the suspension of the Standing Orders.

Hon. J. M. Macfarlane: If you vote for such a motion, you will have to see it through.

Hon. C. F. BAXTER: If we agree to the motion, members can take exception to sitting beyond a certain time. It is in their hands.

Hon. E. H. Gray: Nothing of the sort has been done for over 12 years.

Hon. C. F. BAXTER: It would be undesirable to adopt such a course. I am sure Mr. Drew will be perfectly willing to meet the desires of members. He wishes to have good work carried out. Members would be well advised to agree to the motion

and then we can adjust matters as we go along.

THE DEPUTY PRESIDENT: There is one Order of the Day on the Notice Paper—the Pearling Act Amendment Bill. The Chief Secretary has intimated that it is not regarded as urgent, and the Government do not intend to proceed with it. In those circumstances, all that can happen if the motion be agreed to, will be that the first and second reading stages of the Financial Emergency Bill will be taken forthwith. After that, the procedure will be the same as with any Bill. If the Minister in charge of the Bill does not move that the further consideration of the Bill be undertaken at another sitting, the Committee stage is thereupon taken. If he moved, the House would have to adjourn. There being no new business, and the Chief Secretary not having intimated that it was his desire that the Standing Orders relating to new business be suspended nothing new could be taken after 10 o'clock. If the Minister should press members beyond endurance, they have the power to report progress. It is unusual for members to adopt that course, but it can be done.

Hon. J. M. Macfarlane: By way of personal explanation, having made my attitude clear. I do not desire to defeat the motion.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [4.43]: In moving the motion I had in mind not metropolitan members, but country members. It occurred to me that the discussion on the Bill might proceed till Thursday, but that if we could get through the Committee stage by that day, we could possibly finalise the consideration of the Bill. That would avoid the necessity for country members returning to town on Tuesday next merely to pass the third reading.

Hon. J. M. Macfarlane: We can fix it up all right.

THE CHIEF SECRETARY: There is no desire to rush the Bill, but at the same time there is no wish to bring country members here unnecessarily.

Hon. J. M. Macfarlane: We all agree on that point.

THE CHIEF SECRETARY: If we cannot complete our work by Thursday next, we can continue the consideration of the Bill next week. But the longer the Bill is de-

layed, the more serious becomes the position to the Government from a financial point of view. That was primarily my object in moving for the suspension of the Standing Orders. As Mr. Baxter pointed out, his remarks being confirmed by the Deputy President, any member has the power to move the adjournment of the debate, and such a motion is not likely to be resisted, except for good cause. It rests with members to say whether the debate shall be adjourned.

Question put and passed.

COMMITTEES FOR THE SESSION.

On motion by the Chief Secretary, Sessional Committees were appointed as follows:—

Standing Orders Committee.—The President, the Chief Secretary, Hon. J. Cornell, Hon. C. F. Baxter, and Hon. J. Nicholson.

Library Committee.—The President, Hon. C. F. Baxter, and Hon. G. Fraser.

Printing Committee.—The President, the Honorary Minister, and Hon. W. J. Mann.

Joint House Committee.—The President, Hon. J. Cornell, Hon. E. H. Gray, Hon. V. Hamersley and Hon. Sir Edward Wittenoom.

TEMPORARY CHAIRMEN OF COMMITTEES.

THE DEPUTY PRESIDENT: In accordance with Standing Order 31A, I nominate the following members as temporary Chairmen of Committees during the present session:—Hon. J. Nicholson, Hon. V. Hamersley and Hon. E. H. Gray.

BILL—FINANCIAL EMERGENCY.

First Reading.

Bill received from the Assembly and read a first time.

Second Reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [4.47] in moving the second reading said: The circumstances leading to the summoning of the special session are quite fresh in the mind of every member. The loss of the Bill to amend and continue the Financial Emergency Act, 1931, created a very grave position.

Hon. J. Nicholson: It would not have been created if you had accepted the continuance of the Act to which this House agreed.

The HONORARY MINISTER: I remark that the loss of the Bill—without going into reasons—

Hon. J. Nicholson: But there was no loss.

The HONORARY MINISTER: I say the Bill was lost.

Hon. J. Nicholson: No, it was not accepted. It was not lost; this House granted a continuance of the Act.

The HONORARY MINISTER: I reiterate that the loss of the amending Bill created a very grave position.

Hon. J. Nicholson: It was really a refusal by the Government to accept.

Hon. L. B. Bolton: What does it matter?

The DEPUTY PRESIDENT: I think the Act lapsed by effluxion of time.

The HONORARY MINISTER: The hon. member may put his own construction on the circumstances. He will have the right to give the House the benefit of his ideas. All I wish to say is that a position has been created that should not be allowed to continue for a moment longer than is absolutely necessary. The Government, after giving due consideration to all the issues involved, have presented the Bill now before us. It is, perforce, different from the Bill submitted to us last session. That Bill was an amending and continuance measure whereas this one must necessarily take the form of an original Bill. This Bill represents an endeavour to place the Government in the position they would have occupied had the Bill of last session been agreed to. On this account the Bill is more lengthy than was the previous measure, principally because it includes in their entirety one or two sections which were included in the Financial Emergency Act, and which, of course, did not find a place in the amending Bill. I suppose I am perfectly correct in saying that every member has given very deep consideration and close study to the provisions of this Bill. I have no doubt that they fully appreciate the purport of the proposals contained in it, but in order to assist members, the Government have caused a very comprehensive memorandum to be prepared and attached to the copies of the Bill that have been distributed. The memorandum compares this Bill with the Financial Emergency Act, 1931, which has now lapsed. In view

of that, full elaboration of the pros and cons of the Bill may not be necessary at this juncture, but I consider it my duty to point out to members the scope and incidence of various clauses of the Bill, very briefly perhaps, but in view of previous discussions in this Chamber, sufficiently to inform members of the reasons for the Government's introduction of the Bill now submitted to us. There are few differences between this Bill and the original Act. The Financial Emergency Act of 1931 was divided into seven parts and a schedule. This Bill is divided into six parts and a schedule.

Hon. W. J. Mann: You have left out the most important part.

The HONORARY MINISTER: From the hon. member's viewpoint, that may be so. The part of the original Act omitted from this measure is Part V., which dealt with the question of private employment. I do not know that there is any reason to repeat that in season and out of season, representatives and supporters of the present Government have protested against the inclusion of private employment in the financial emergency legislation.

Member: On what grounds?

The HONORARY MINISTER: That it is not the duty of Parliament to interfere with the fixation of wages of employees who come within the jurisdiction of the Arbitration Court.

Hon. J. M. Macfarlane: Not in an emergency?

The HONORARY MINISTER: Not even in an emergency. We say that the Arbitration Court was established to hear the evidence for and against a proposal either for a reduction or for an increase of wages, or for an alteration of conditions, and that the Arbitration Court is in a far better position to determine what should be done than this Chamber or another place would be. We have adopted that attitude right through the piece. This is the only Parliament in the Commonwealth that adopted that attitude. Further, may I again point out that that action on the part of the Western Australian Government was contrary to the desires and decisions of the Premiers' Conference which evolved what is now known as the Premiers' Plan. There can be no denying that fact. Taking that in conjunction with the fact that this is the only State of the Commonwealth where Par-

liament has passed legislation of the kind, I consider we are perfectly justified in omitting that part from this Bill.

Hon. J. J. Holmes: Is not this the only State that reduced rentals and prevented the collection thereof?

The HONORARY MINISTER: In addition I should like to point out that the Arbitration Act is comprehensive enough to deal with almost any situation that might arise affecting private employees. It has been argued in this Chamber that the Arbitration Court has not the power to do what has been done by means of the Financial Emergency Act.

Hon. G. W. Miles: It has not.

The HONORARY MINISTER: I should like to direct the hon. member's attention to one or two cases dealt with by the Arbitration Court in which it has very definitely taken into consideration the financial position of the industry under review, and on account of having done so, has issued an award quite different from what would have been given had the industry been in a normal or flourishing condition. Yet some members say that the court has not the power to deal with matters of the kind. May I also remind the House that not only in Parliament, but on the hustings during the last election, this point was made part and parcel of the policy of supporters of the present Government. It was laid down definitely that we did not agree with this phase of the Financial Emergency Act, and that at the first opportunity we would take steps drastically to amend the Act.

Hon. E. H. Harris: On the goldfields your supporters said they would sweep the Act away.

The HONORARY MINISTER: I am repeating the words of the Leader of the party when I say that he stated very definitely, and in a way that could not be mistaken, that if his party were returned at the polls, the Financial Emergency Act would be drastically amended.

Hon. J. J. Holmes: You put more on and take more off.

Hon. E. H. Harris: Yes, 9d. instead of 4½d. in the pound.

The HONORARY MINISTER: We have dealt with that aspect from time to time, but in view of the discussions in this Chamber, no one can gainsay that the legislation introduced by the present Government is a drastic amendment of the Financial Emergency Act that has been operating during

the last two years. The part relating to private employment is probably one of the most important parts that has been dealt with since the measure was originally introduced.

Hon. J. J. Holmes: That is so.

The HONORARY MINISTER: Members will have a vivid recollection of the argument that occurred when the original measure was before us, and they must also have a full knowledge of the argument that took place elsewhere. On that occasion both Houses apparently contained the numbers to determine that, quite irrespective of what the Premiers' Plan requested, and quite irrespective of the arguments advanced by the Opposition at the time, private employment should be included in the measure, and it was included. We are very definite in our views upon that point; therefore we did not include it in the present Bill. The point was the very basis of the Bill that was introduced last month. Having decided that those who were in private employment, and were subject to Arbitration Court awards and agreements, should be taken outside the scope of the Act, we desired to do the fair thing and place other employees in a somewhat similar position in regard to the Financial Emergency Act. There are many hundreds of employees of the State who are directly subject to Arbitration Court awards and agreements, and who, if they were not treated in the same way as the last Bill proposed to treat private employees, would be receiving a lesser amount per week than their colleagues who were engaged in private enterprise. That would give an advantage to those departments of the State which employed those particular employees. It was therefore necessary to provide for them in the Bill.

Hon. G. W. Miles: They would be at a disadvantage.

The HONORARY MINISTER: It became necessary to provide that all persons, irrespective of whether they were employed by the State or private enterprise, so long as they were directly subject to Arbitration Court awards and industrial agreements, should be taken outside the scope of the Act. The Bill before us deals with the question of Government employees who are subject to Arbitration Court awards or industrial agreements. Almost in their entirety they are excluded from the operations of the measure. There are a few exceptions. These

are a few men who are subject to Arbitration Court awards, and have been awarded salaries or wages ranging from £450 to £700 or £800 a year. In regard to these few cases we say the men should remain within the scope of the Act. As we desired to do the right thing by other persons who are employed by the State, but are not subject to Arbitration Court awards, it became necessary that we should find a method by which we might place those employees of the State receiving a limited income per annum in the same position as the employees to whom I have just referred. After a good deal of trouble, calculation and research, the Government, notwithstanding the fact that it would cost a few thousand pounds more than we had anticipated, decided that the line of demarcation should be those persons who were receiving up to £293 per annum as at the 30th June, 1930. That figure marks the limit of what is known as the automatic range. Public servants receiving salaries in excess of £293 per annum almost without exception are classified on a fixed salary for a fixed position. The Government desire to be equitable in this matter.

Hon. E. H. H. Hall: The civil servants do not think it equitable.

The HONORARY MINISTER: There are some who do and some who do not. We would indeed be fortunate if we could satisfy all the wage and salary earners in the State when it was not possible for us to abolish the Act altogether.

Hon. E. H. Harris: Do you think you are satisfying 30 per cent. of them now?

The HONORARY MINISTER: I do not know what the percentage is. We are going to the full extent of our financial resources. We are endeavouring to carry out the plank of our platform which, I believe, will give relief to a large number of people who are fully entitled to it.

Hon. G. W. Miles: More so than in the case of the men on the bread line.

The HONORARY MINISTER: And men on the bread line too. There was a minimum prescribed in the Financial Emergency Act of £185 per annum. Whilst that Act remained on the statute-book, if the basic wage or the cost of living happened to rise above that amount per annum, the law came into force. Under our proposal, the people who were taken outside the scope of the Act, or the people who are outside the scope of this Bill, will not be brought back under the Act

—even if the basic wage or cost of living does rise above the minimum prescribed therein. I think I have now dealt with all I can deal with as regards wages or salaried workers, who have been affected by the Financial Emergency Act. The memorandum to which I have referred compares clause by clause, even down to subclauses, with the sections of the original Act. If members have given any study to the memorandum, they will appreciate my point when I say that if this Bill be agreed to in its entirety, it will place us in the same position we would have been in had the Financial Emergency Act Amendment Bill been agreed to last session.

Hon. G. W. Miles: There is no doubt about that.

The HONORARY MINISTER: Other items, with which it is necessary I should deal, are also included in the Bill. First comes the superannuation and retiring allowances. The part of the Bill dealing with that question is the same as the part in the original Act, had it been amended in accordance with the last Bill. It gives the Government the right to deal with every case on its merits, and, where the Governor may think fit, to allow a concession. Under the original Act, the Minister had no power to grant such a thing.

Hon. J. J. Holmes: I would not give that power to any Government.

The HONORARY MINISTER: The next part, dealing with the reduction of mortgagors' interest, is a very important one. When the last Bill lapsed, Section 6 of the Act went out with it, together with every other part of the Bill. A very awkward situation might possibly arise unless we agreed to reinstate by this Bill that particular section. I do not know that it is necessary for me to go into details regarding that section, but very far-reaching effects would be seen unless the Bill were agreed to. I believe from the discussion that took place in this Chamber last month that there is not likely to be much difficulty in that regard.

Hon. G. W. Miles: We are all agreed about that.

Hon. E. H. Harris: How many Government employees would secure a rise if the Bill were passed?

The HONORARY MINISTER: I may be able to secure information on that point later. At least 35 to 40 per cent. of the

employees of the Government would be affected by the Bill, that is, taking wages men and salaried officers into account. On a previous occasion I have supplied to members certain figures that are as accurate as it is possible for them to be. The cost of the proposed legislation to the Government for the remainder of the financial year would be between £55,000 and £60,000, and taking it on a per annum basis, the amount involved would be between £110,000 and £115,000 a year.

Hon. G. W. Miles: Where will you get the money?

The HONORARY MINISTER: From the place from which we always get money.

Hon. A. Thomson: The poor old taxpayer!

The HONORARY MINISTER: I may tell members that this item was taken into consideration by the Treasurer when framing his Estimates.

Hon. G. W. Miles: That is news.

The HONORARY MINISTER: No. It has already been stated in this House and elsewhere.

Hon. G. W. Miles: Excuse me! It has only recently been stated.

The HONORARY MINISTER: While I know that some members place a lot of importance on the fact that one is not able to give accurate figures as to the number of men affected, and cannot say to a pound what the cost will be, I would point out that it is very difficult to arrive at figures absolutely definite to the pound.

Hon. J. Nicholson: We will give you a margin of £5.

The HONORARY MINISTER: I have already quoted figures which have a margin of £5,000, on the per annum basis. In view of the financial position of the State and the changes which take place from month to month, as well as the difficulties we are faced with from time to time, estimates which are made as accurate as possible should be accepted by members. The estimates have been made in all sincerity, and there is no desire on the part of any member of the Government to mislead the House in any way. These remarks I think cover the major items contained in the Bill. In view of the discussion which took place previously, it may be wise for me to refrain from saying anything more until I have heard the views of members, so that I may reply, if possible, to the arguments I anticipate they will bring forward on the

second reading. I cannot, however, conclude my remarks without referring to an incident which occurred at the end of last session in connection with the conference that took place between the two Houses.

Hon. E. H. Harris: "No surrender!"

The HONORARY MINISTER: Yes. My name has been mentioned in that connection. One can infer from the remarks of Mr. Holmes that my integrity and honesty of purpose were brought into question.

Hon. J. J. Holmes: I never suggested such a thing.

The HONORARY MINISTER: Therefore I feel bound to make some contribution to the controversy which has been raging during the past week or two. First of all, I do not withdraw one iota from the stand I took up at that particular time. I say that the words were used.

Hon. J. J. Holmes: On a point of order. That has been denied by me, and my denial is confirmed by the "Hansard" report, and by the "Hansard" reporter's shorthand notes; and I demand a withdrawal of the imputation.

The DEPUTY PRESIDENT: Order!

The point appears to be this: The Honorary Minister is referring to an incident which occurred in this Chamber on the last night of last session with regard to something that is alleged to have been said by an hon. member. Since this session opened there has been a controversy regarding the matter. The hon. member who it is alleged used certain words has said that he did not use them; and he has pointed, as supporting his statement, to the fact that the recognised custodian of what is said in this House, "Hansard," does not report him as having uttered them. Therefore it appears to the Chair that if any hon. member is not prepared to accept Mr. Holmes's statement that he did not use the words alleged to have been used by him, and which "Hansard," as printed and circulated among hon. members, does not record him as having used, the hon. member who is not prepared to accept that statement, irrespective of what may be at the back of his head with regard to what actually happened, pursuing the logical course should call for the shorthand notes of the "Hansard" reporter who reported Mr. Holmes at the time this alleged utterance is supposed to have been made. That is the next logical step to take. If the shorthand notes show that the reporter

actually reporting at the time took those words down, the words not appearing in "Hansard," it is then time for the House to intervene and want to know why the words do not appear in the report.

Hon. J. J. Holmes: I do not think, Mr. Deputy President, that that meets the position. You can get the shorthand notes in due course, but it is understood that we are all honourable men in this House. Whether we are or not is another matter. But, I having denied using those words, I think the rules of the House compel the Honorary Minister to withdraw the imputation that I did use them.

The DEPUTY PRESIDENT: I was coming to that, Mr. Holmes. The position of the Honorary Minister is that he has to accept Mr. Holmes's assurance that he did not use those words, or else the Honorary Minister has to take the next logical step and ask for the original shorthand notes of what actually did take place to be read by the Chief "Hansard" Reporter to the House. I think the Honorary Minister is as well aware of the situation as I. I can understand the Honorary Minister referring to the matter, because there has been some controversy outside the Chamber with regard to it; but that is the actual position.

Hon. J. J. Holmes: The Honorary Minister has to obey the orders of the Chair.

The DEPUTY PRESIDENT: I have outlined the course the Honorary Minister has to take. He has either to accept Mr. Holmes's assurance, or he has to take the next logical step and ask for the shorthand notes.

The HONORARY MINISTER: The point I desire to make is this—and I hope I am in order in putting the matter in this way—that the hon. member's statement that those words do not appear in "Hansard" is not proof that they were never uttered.

The DEPUTY PRESIDENT: Order! The Honorary Minister will resume his seat, please. In my long association with this Chamber the position has been to accept "Hansard" as a correct report of the proceedings of the House. If "Hansard" is quoted against any hon. member at any time after the close of the session as evidence of what was said by him, the hon. member against whom it is quoted has no alternative but to accept the authority of "Hansard." We cannot have two sides

of "Hansard." We have to take "Hansard" as it is written down, and, following the matter to its natural conclusion, have the shorthand notes of the reporter read, or we have to scrap it altogether. That is the position.

Hon. J. J. Holmes: I understand the position to be this. The Honorary Minister has to withdraw, or he has to ask for the shorthand notes of "Hansard," and if he finds then that my version is correct he has to withdraw then instead of now.

The DEPUTY PRESIDENT: I may point out that the Honorary Minister is entitled to his own opinion of anything; but he is not entitled to air the opinion in this Chamber if another hon. member takes exception to it. The Honorary Minister has to accept Mr. Holmes' assurance that according to the records of this House he did not use the words which he is alleged to have used.

Hon. J. J. Holmes: I do not like the qualification "according to the records of this House." "Hansard" took down what I said; no more, and no less.

The DEPUTY PRESIDENT: What I say is that the Honorary Minister has to accept the record of the proceedings of the last session.

Hon. J. J. Holmes: He has to obey the Chair.

The DEPUTY PRESIDENT: Those records do not show Mr. Holmes as having used the words in question. The Honorary Minister has to accept Mr. Holmes' assurance that he did not use the words, or else the Honorary Minister has to take the next logical step and, to use a vulgarism, assert that "Hansard" is "cooked," if the words alleged to have been used can be found in the original shorthand notes.

Hon. G. W. Miles: I insist that the Honorary Minister obey the order of the Chair and withdraw.

The DEPUTY PRESIDENT: Give the Honorary Minister a chance.

Hon. G. W. Miles: He has had a chance, and he has quibbled.

The DEPUTY PRESIDENT: I am perfectly satisfied that the Honorary Minister will not pursue that point any farther, unless he takes the logical step of asking for the shorthand notes of "Hansard" to be produced.

Hon. G. W. Miles: That has nothing to do with it. He should obey the Chair.

The HONORARY MINISTER: I do not wish to prolong discussion of this point.

Hon. J. J. Holmes: It is a question of the withdrawal of the statement, not of prolonging the discussion.

The DEPUTY PRESIDENT: Give the Honorary Minister a chance.

Hon. G. W. Miles: He is quibbling.

The HONORARY MINISTER: I want to disabuse the minds of hon. members before I go any farther. I am not, to use your words Mr. Deputy President, suggesting that "Hansard" is "cooked." I have no idea at all of doing that.

The DEPUTY PRESIDENT: Therefore you accept "Hansard" as correct.

The HONORARY MINISTER: I have to accept "Hansard" as correct.

Hon. G. W. Miles: Do you withdraw?

The HONORARY MINISTER: At the same time, I am forced into that position.

The DEPUTY PRESIDENT: Order!

Hon. G. W. Miles: Mr. Deputy President, may I—

The DEPUTY PRESIDENT: No hon. member is forced into any position in this Chamber.

Hon. G. W. Miles: I say he should be forced into obeying the order of the Chair. He must withdraw.

The DEPUTY PRESIDENT: I want to point out to the Honorary Minister that no hon. member is forced into any position in this Chamber. He has to obey the Chair; or, if he does not obey the Chair, he must abide by the consequences.

The HONORARY MINISTER: I propose to obey the Chair.

Hon. G. W. Miles: Obey it and be a man!

The HONORARY MINISTER: I ask for a withdrawal of that remark.

Hon. G. W. Miles: I will withdraw it, but I say the Honorary Minister must obey the Chair.

The DEPUTY PRESIDENT: I will see that he does.

Hon. G. W. Miles: I hope, Sir, you will see that he does.

The HONORARY MINISTER: I withdraw my remark.

The DEPUTY PRESIDENT: I would like to remind hon. members that when any hon. member rises to a point of order on another hon. member who has the floor, and asks that a certain statement made by the latter be withdrawn, it is only reasonable to allow the hon. member who has made the

statement in question to withdraw it in his own way; and if his own way is not satisfactory, then he can be dealt with.

Hon. G. W. Miles: He had two goes in his own way.

Hon. T. Moore: We will have Mr. Miles's way now.

The HONORARY MINISTER: I am sorry to have complicated matters in this way. I have no desire to make this particular point an issue in the debate. However, I did think I was perfectly justified in making a reference to the matter, because I have been drawn into the discussion, quite apart from any desire that I might have had to participate in it. I wish now to reply, if I may, to the reference made by Mr. Macfarlane to me, accusing me of doing certain things in connection with publicity regarding the same incident. I wish to tell the hon. member that if he has been advised to that effect, he has been sadly misinformed. I have never mentioned the matter in any shape or form outside my immediate circle.

The DEPUTY PRESIDENT: Is the hon. member referring to something Mr. Macfarlane said here or outside?

The HONORARY MINISTER: Something recorded in "Hansard." Having disposed of that, I feel that there is little more for me to say. I do hope that after the short recess we have had, and after the calm reflection which hon. members have probably been able to bring to bear upon the subject matter of the Bill, they will accept the Government's point of view, that the Government's policy is bound up in the Bill, and that this Chamber has no right—if I may use that expression—to dictate to the Government of the day.

Hon. J. Nicholson: Who dictated to them?

The HONORARY MINISTER: No right to dictate to the Government what their policy should be where the finances of the State are concerned.

Hon. J. Nicholson: Who dictated that policy?

Hon. G. W. Miles: Are we rubber stamps?

The HONORARY MINISTER: Believing that, I submit to hon. members that the action of this House on the occasion in question was equivalent to dictating to the Government what their financial policy should be, notwithstanding the fact that

only a few short months ago the Government were returned with a majority such as has seldom been equalled in the political history of this State. As a Government we pledged ourselves. As a Government we are endeavouring to carry out to the best of our ability the promises we made in this direction.

Hon. Sir Edward Wittenoom: You should not have made so many promises.

The HONORARY MINISTER: I cannot hear what the hon. member says.

Hon. J. Nicholson: That you should not have made so many promises.

The HONORARY MINISTER: The promises we made were endeavouring to carry out. We have been in office for a few months only, and the Bill represents an instalment of our policy in this direction. It is our intention, as opportunity offers, to continue to give relief to the various sections of the community who are suffering as a result of the operation of the financial emergency legislation.

Hon. Sir Edward Wittenoom: Where are you going to get the money from?

The HONORARY MINISTER: From the same source as we got it before. I feel I should not spend any more time in speaking to the second reading, except to say I hope that hon. members will, after calm reflection, realise that there is something concrete in the point of view I have just put forward, and that they will agree the Government are entitled by virtue of the large majority by which they were returned, to put into operation the policy on which they were elected. It is for the Government to take the responsibility of anything that may be the result of putting that policy into operation. I trust the Bill will, on this occasion, receive a slightly better reception than the previous Bill had. I move—

That the Bill be now read a second time.

HON. SIR EDWARD WITTENOOM (North) [5.31]: I presume I am allowed to refer to the remarks made a little while ago in regard to this question of "no surrender." Everyone else has been making remarks about it.

The DEPUTY PRESIDENT: Order! The hon. member must resume his seat, I hope the House will, once and for all, at least within the four walls of this Chamber, regard that matter as disposed of.

Hon. Sir EDWARD WITTENOOM: Excuse me, Sir, but this matter of "no surrender" has been discussed for the last half hour and I would like to put my views on it before the House.

Hon. C. F. Baxter: Would you like to surrender?

The DEPUTY PRESIDENT: Order! Sir Edward Wittenoom knows of the Standing Order which provides that when the President is speaking he shall do so without interruption.

Hon. Sir EDWARD WITTENOOM: I cannot hear, Sir.

The DEPUTY PRESIDENT: As an ex-President, he should be aware of that Standing Order. I want to clear up the position with respect to this matter of "no surrender." Those words were alleged to have been used during last session in this Chamber, but the Honorary Minister has accepted the record in "Hansard" as correct.

Hon. C. B. Williams: You cannot deny that I heard those words.

The DEPUTY PRESIDENT: Order! The Honorary Minister took up a negative attitude. I pointed out that, if he carried that to its logical conclusion, and did not believe that the "Hansard" report was correct, he should call for the shorthand notes.

Hon. C. B. Williams: It is not correct.

The DEPUTY PRESIDENT: The Honorary Minister has accepted it as correct.

Hon. C. B. Williams: He speaks for himself; I speak of what I heard.

Hon. Sir EDWARD WITTENOOM: Can I make my few remarks, Sir?

The DEPUTY PRESIDENT: Yes.

Hon. Sir EDWARD WITTENOOM: Unfortunately, when the debate took place last year I was absent through illness. However, I heard a good deal about the "no surrender" episode. I followed the matter in the newspaper. The newspaper distinctly stated that there was to be no surrender on the part of the Hon. Mr. Holmes.

Hon. J. J. Holmes: What newspaper—the "Worker"?

Hon. Sir EDWARD WITTENOOM: No, the "West Australian." My idea is that when we go to a conference, we should not do so in a spirit of "no surrender."

Hon. C. B. Williams: The House is to blame, not the two hon. members.

Hon. Sir EDWARD WITTENOOM: I cannot understand those two members being

elected to go on the conference. I go farther and say I cannot understand their accepting the position.

The DEPUTY PRESIDENT: Order! The hon. member must resume his seat. As far as that episode is concerned, the position is that the words were not used and therefore are not recorded in the proceedings of this House. I will not allow any further discussion along those lines.

Hon. Sir EDWARD WITTENOOM: Might I ask you one question, Sir? Can you say, with your great knowledge, whether, if either House demands a conference, either House can refuse it? If either House does, what position is the Bill in?

Hon. E. H. Harris: You are wasting time.

Hon. Sir EDWARD WITTENOOM: You mind your own business. I ask the question, if either House asks for a conference and either House refuses it, what position is the Bill in?

The DEPUTY PRESIDENT: It is always well to take a hurdle when you actually come to it. We will take that hurdle when we come to it.

HON. C. F. BAXTER (East) [5.34]: Notwithstanding that the Bill is a very important and far-reaching measure, the House has been side-tracked for the last half hour on a discussion as to whether certain words were or were not used.

The DEPUTY PRESIDENT: I hope the hon. member will get right away from that matter.

Hon. C. F. BAXTER: I hope the words are forgotten now. Now that the Bill is before the House, I take it our whole attention will be centred on the amendments to the Act which expired on the 31st of last month. It is rather disturbing to find that a Government who a few months ago were returned pledged to reduce taxation have had to impose additional taxation beyond that which the previous Government were forced to put on the people of the State. On top of that, and probably before the Financial Emergency Bill was before this Chamber, it was ascertained that the Government could find £110,000, probably more.

Hon. Sir Edward Wittenoom: Why increase the tax to 9d. in the pound?

Hon. C. F. BAXTER: Why did the members of this House agree to a tax of 9d. in the pound? My amendment made the maximum 7d. in the pound. The Honorary

Minister said it was not the duty of Parliament to interfere with wages.

Hon. G. Fraser: With wages awarded by the Arbitration Court.

Hon. C. F. BAXTER: What is the use of saying that?

Hon. G. Fraser: I was just finishing the statement for you.

Hon. C. F. BAXTER: It was made permissible under the Financial Emergency Act for the employers to approach the Arbitration Court to apply for a variation of awards. The Arbitration Court made exhaustive inquiries. The fullest information was made available to that court, even the most confidential information, and the court did make a variation. For what reason? To enable employers to carry on industry. It would have been a sorry day for this State had that Financial Emergency Act not been passed and had the Arbitration Court not made the reductions it did in wages.

Hon. C. B. Williams: Utter nonsense!

Hon. C. F. BAXTER: The hon. member can say that. He comes from a district where things were booming and where the employers at the time did not take advantage of the reduction in the basic wage. On the other hand, they approached the Government and asked for a reduction in water rates.

Hon. C. B. Williams: It is the only place where you can enjoy yourself.

Hon. C. F. BAXTER: There is no question that to a large extent State finance is the responsibility of the Government, but this House has the right to say that the finances should be dealt with equitably. The Government are finding £110,000 for some of the Government servants, those receiving up to a maximum of £295 per annum. That is neither reasonable nor equitable. If there is any money available for distribution in that way, it should be distributed among all the members of the service. It is often said that the lower-paid man, the under-dog, is having a very bad time. But is he? What is the position of those on lower wages now compared with their position in 1930? Even with the reduction in wages, they are better off now than they were then, on account of the heavy reduction in the cost of living.

Hon. C. B. Williams: Hundreds are living in tents and scratching for a crust.

Hon. G. W. Miles: They should be provided for.

Hon. C. F. BAXTER: Yet we are faced with a deficit as great as that of last year, and each year we ought to be reducing it. What will be the end of it all? Can we go on forever borrowing money?

Hon. Sir Edward Wittenoom: How much is the deficit—80 millions?

Hon. C. F. BAXTER: It is better for us not to dwell too much on that matter. We can abuse the position by paying away £110,000, and to whom? To those who are in employment, in regular, continuous employment, and whose jobs are secure. The Minister repeated to-day that the action of the Government was contrary to the Premiers' Plan. Are we to be concerned with the Premiers' Plan or with the progress of the State? That is what we have to ask ourselves. Every member of this Chamber, no matter how biased he may be, must admit that the reductions made under the Financial Emergency Act saved this State from collapse.

Hon. C. B. Williams: Utter nonsense!

Hon. C. F. BAXTER: That Act gave employment to thousands of men who otherwise would be on Government sustenance to-day. During the past few months there has been some revival in private industry. That is the result of the reductions which were made, and now the Government are going to throw it all to the winds. What must be remembered is that some of the other States, who are our greatest competitors, enjoy the advantage of the Federal basic wage, which is lower than the basic wage in this State. Still other of the States have a basic wage lower than ours. Yet, notwithstanding their advantage, we have to compete with them. It matters not what campaigns are launched for the consumption of local products, they will be unsuccessful if our costs are too high. The loyalty of the people cannot be traded upon; if they are asked to pay more for the locally-produced article, then they will buy the cheaper imported article. If we are doing something not provided for in the Premiers' Plan, what does it matter if the State benefits? Does it not reflect credit upon the State and upon Parliament? Of course it does.

Hon. C. B. Williams: Whom does it benefit?

Hon. C. F. BAXTER: It benefits the whole State.

Hon. C. B. Williams: It does not benefit the people who have to suffer.

Hon. C. F. BAXTER: The Honorary Minister stressed the fact that the electors returned the present Government with a certain mandate; but they did not give the Government free license to do what they liked. Parliament is here to protect the people.

Hon. Sir Edward Wittenoom: Are all the electors brainy people?

Hon. C. B. Williams: Yes, or they would not be electors.

Hon. C. F. BAXTER: Referring again to the proposed distribution of money amongst some of the civil servants, I contend it should be distributed amongst all the public servants, because those in the higher grades of the service have their own expenses to meet. The point is that whilst only a section of the Public Service is intended to get relief under the Bill, the Government turn round to private enterprise and say, "You must give relief to all the people engaged in industry." Why this differentiation? There has been a great deal said about interference by Parliament with the wages section of the community in the State. Under the previous emergency Act, the right was given to employers to approach the Arbitration Court and ask for a reduction in the wages paid. The employers had only 12 months in which to approach the court and they were obliged to submit to the court the fullest information possible. They had to produce documents and books to enable the court to make an adjustment, and in certain industries a reduction was made. Why did the court make the reductions? For the obvious reason of helping the progress of the State.

Hon. G. W. Miles: To afford the greatest good for the greatest number.

Hon. C. F. BAXTER: It has resulted in an increase of those employed by private enterprise and a corresponding decrease in sustenance.

Hon. C. B. Williams: Labour has paid more to—

Hon. C. F. BAXTER: To some of their own people, and the less the hon. member says about that, the better. Let us take the position of the employee. He can at any time approach the court and put forward a case for a return to the old conditions. I believe a number of cases are already before the court.

Hon. J. J. Holmes: And then it will come back to Parliament instead of to the court for the granting of increases.

Hon. C. F. BAXTER: If the Bill we are asked to pass is agreed to as it stands, it will mean that a number of industries will not be able to carry on. There are industries in the State to which a small reduction in wages will mean perhaps a treble output. Many industries are at present on the border line, and the slightest increase in their cost of production might have the effect of their closing down. There is another matter to consider, and it is that the moment we revert to the old conditions, the cost of living will advance and that will affect every section of the community. It has been the desire to reduce the cost of living, and it should come down still further. We are facing such a position that we simply do not know what the future holds for us.

Hon. C. B. Williams: What about the 300 per cent. increase in the price of wool?

Hon. J. J. Holmes: Is Mr. Williams in order in keeping up a running fire of interjections?

The DEPUTY PRESIDENT: He is distinctly out of order.

Hon. C. F. BAXTER: With regard to the figures, I do not intend to quote them again because I dealt with them fairly fully at the close of last session a few weeks ago, and they are on record. I repeat though, that any interference with existing conditions will mean stagnation in the State.

Hon. A. M. Clydesdale: My grandfather said that 50 years ago.

Hon. C. F. BAXTER: If the hon. member were as free as I am, he would vote against the Government's proposals. I challenge him to do so. He is not game to vote against the Government.

Hon. A. M. Clydesdale: There is no need to challenge anyone who is loyal.

Hon. C. B. Williams: Are these interjections in order?

The DEPUTY PRESIDENT: No, Mr. Clydesdale is out of order.

Hon. C. F. BAXTER: What we must ask ourselves is whether we are to go on borrowing all the time and increasing our costs, the while we know we are suffering and are likely to continue to suffer. How can we right the position in that way? The position is more difficult now than it was at the end of last session. When the previous emergency Bill was before us, it was a matter then of a clause which deleted Part V. from the Act. Now it is a question of restoring what was Part V. of the Act which

expired at the end of the year. Can the position be so ridiculous that part and parcel of an Act which operated for two years cannot now be put back?

The DEPUTY PRESIDENT: Order! We will take that hurdle when we come to it, though the hon. member is in order in referring to it.

Hon. C. F. BAXTER: I regret that the amendment which appears on the addendum to the Notice Paper is so long, but it had to be long, and I should like members to go thoroughly into it. If what was Part V. in the Act that has lately expired is not again included in the Bill we are now discussing, disastrous results throughout the State will follow and those results will affect every industry. Members should realise the desperate position we are in at the present time. There will have to be a great deal more than an increase in the price of wool before we can get out of our troubles. Notwithstanding the statements that have been made by the Minister for Works who had charge of the Bill in another place that the Government were determined to take a strong stand, members in this House will agree with me when I say that the Bill must go back with Part V. included, if it is desired to save the State.

Hon. C. B. Williams: No surrender again.

Hon. C. F. BAXTER: Reference was made by the Premier to the members of this Chamber who are about to retire, and he declared that those members should not take an active part in the consideration of a Bill of this nature.

Hon. J. J. Holmes: We are not taking that seriously.

Hon. C. F. BAXTER: A member is a member until he has actually retired, and I am astonished at the Premier, who is the leading man in this State where politics are concerned, making such an assertion. I hope that those members of this House who have not gone away for a trip will not take the slightest notice of the Premier's remarks. There will be a great deal said in Committee regarding the necessity for saving the State. This can only be done by standing firm and seeing that Part V. is restored. The Government may claim some right to deal with the Public Service, but they can claim no right to say what shall be done by private industry, especially when there seems to be lurking behind that claim the thought that whether an industry is to sink or swim, it

must be forced into doing what the Government desire.

Hon. C. B. Williams: You claim the right to tell the Arbitration Court to do it.

Hon. C. F. BAXTER: The Government did not reduce wages, but left it to the good sense of the Arbitration Court to say whether it was necessary to make a reduction in any particular industry. The court in its wisdom did make reductions, and those reductions proved of great assistance to the State. I urge members to stand firm and declare that Part V. must go back.

HON. A. THOMSON (South-East) [5.56]: Mr. Deputy President—

Hon. C. B. Williams: Now we shall hear the "no surrender" stand.

Hon. A. THOMSON: The Minister told the House that we were passing through a very serious position. I realise that a grave responsibility is placed on the members of the Legislative Council, and whilst there has been a considerable amount of political propaganda, I certainly think that we must face the position, not because the Government have a mandate from the people, and not from the point of view that one section of the community must derive special benefits. The real duty that devolves upon the members of this House is to consider what is best for the State as a whole, and I shall approach the subject, not flippantly, but seriously.

Hon. C. B. Williams: You could not be flippant, you have not a free mind, and you are not capable.

Hon. A. THOMSON: If that interjection had come from a responsible member of the House, I would have asked you, Mr. Deputy President, to order its withdrawal, but coming from the source it did, it is not worthy of notice.

Hon. C. B. Williams: You have proved it.

Hon. A. THOMSON: We are certainly agreed that the position is serious as far as this particular class of legislation is concerned.

Hon. C. B. Williams: Yours is personal animosity to the Labour Party.

Hon. A. THOMSON: The position as I view it is that a responsibility rests upon the shoulders of the Government. They definitely said, "We must have this Bill or no Bill at all." Is that a spirit of compromise? I want to approach the position in a spirit of compromise, if it is possible

to do so. I hope, Mr. Deputy President, you will appreciate the fact that I have been traduced in the Press, and attacked by the Premier and the Minister for Works, while derogatory statements have been published in the country newspapers. In those circumstances, I trust you will permit me to refer to one or two points regarding the conference of managers in the closing hours of last session. I have been for many years a member of Parliament and I always understood that what took place at conferences of managers representing the two Houses was not divulged beyond the four walls of the conference room. Despite that, I find that statements have been made regarding what took place in conference. It has been said that Mr. Holmes and I left the conference and sought permission to resign our positions as managers. It is true that we conferred with the President of the Legislative Council, who told us that we could not resign. Although it was carefully omitted, it is also true that I definitely and distinctly said that we had to pursue a course that we considered was in the interests of the State and that we had to stick to our job. For political purposes only, it has been broadcast throughout the State that we went to the conference room pledged to certain action, and that we could not retire from the position we took up. The best reply to those assertions is that Mr. Holmes and I, seriously viewing our grave responsibilities, strove for four hours, as far as was humanly possible, to find a way out of the difficulty.

Hon. E. H. Harris: And the other managers could not meet you?

Hon. A. THOMSON: They would not meet our views. It is all very fine for members of the Legislative Assembly and also of this House to say that we were adamant and would not budge.

Hon. C. B. Williams: You said that!

Hon. H. J. Yelland: Did you offer any compromise?

Hon. A. THOMSON: After four hours of debate, Mr. Holmes and I retired in order to confer, and to endeavour to find some way of overcoming the difficulty. We recognised our responsibility as members of Parliament to safeguard the finances and to conserve the interests of the people as a whole. On one hand, the Government desired £115,000 for a section of the civil servants, and, on the other hand, we realised that all the benefits that the private em-

ployers had derived under the Financial Emergency Act, which had increased employment, were to go by the board. In those circumstances, the attitude of the Government was: Heads we win, tails you lose. We were told that the Government would have to find £350,000 if the managers did not come to an agreement. They refused to continue the Act for another 12 months. Therefore, I consider the responsibility for the attitude of "no compromise" lies equally, if not more, with the Government than with Mr. Holmes or me. I wish to refer briefly to one statement that was made by the Minister for Works. He said—

After the conference had proceeded for some hours, and agreement was found to be impossible, Messrs. Holmes and Thomson said they would like to resign from the conference because they had committed themselves to a policy of no compromise. The conference adjourned to allow them to consult the President of the Legislative Council (Sir John Kirwan), and they asked his permission to resign. He upbraided them for having been so foolish as to make the statements they did prior to election, and told them that it was constitutionally impossible for them to resign.

In broadcasting that statement, there was a deliberate breach of confidence.

Hon. J. J. Holmes: And the statement was not true.

Hon. A. THOMSON: Of course not. We certainly retired and the Honorary Minister came with us when the matter was to be discussed. I am sure the Honorary Minister is honourable enough to confirm my statement in the President's room, that we would have to carry on with the job.

The Honorary Minister: That is all right but what someone else said was also correct.

Hon. A. THOMSON: Sometimes half truths are not quite correct.

The Honorary Minister: On a point of order. Mr. Thomson has only quoted half truths. I do not desire to be drawn into any discussion regarding what took place in the conference room. I suggest to Mr. Thomson that he desist; otherwise I will have to disclose the other half.

Hon. J. J. Holmes: And I will disclose the other half, too.

The DEPUTY PRESIDENT: I think Mr. Thomson has gone sufficiently far for his purpose. Boiled down, the position is that, arising out of something alleged to have been said when managers were being appointed by the Council, the House has de-

cided to accept the report in "Hansard" regarding what was said on that occasion. The Honorary Minister has accepted the "Hansard" report, and that being so, it means that the words complained of were not uttered.

Hon. A. THOMSON: I was pointing out that Mr. Holmes and I retired from the conference room to confer with yourself, Mr. Deputy President, and the President of the Council, and that was almost immediately after we had met the managers from another place. It will be seen that there is a great difference there. I also take exception to another statement made by the Minister for Works—

Because of the pledge made by Messrs. Holmes and Thomson to the members of the Council who had elected them, the country was in its present serious position.

Hon. E. H. Harris: Can you tell us on what points the managers of the Assembly were prepared to give way?

Hon. A. THOMSON: No. I desire to abide by the traditional attitude regarding conference matters and will not divulge any such information.

The DEPUTY PRESIDENT: I am glad that the hon. member made that admission, because if he had not, I would certainly have endeavoured to make him refrain from doing so.

Hon. A. THOMSON: And you would have acted properly. There has been a great deal of misrepresentation about this matter, and it is seriously affecting me in the country areas, particularly in my own province. It is but common justice to myself that I be given an opportunity to make an explanation.

Hon. C. B. Williams: You must be more careful in future.

The DEPUTY PRESIDENT: There are a couple of Standing Orders respecting which Mr. Williams would do well to be careful.

Hon. A. THOMSON: Then again, I find that the views of Labour, appearing beneath the name of Mr. F. C. L. Smith, M.L.A., have been broadcast throughout the country districts. I have a copy of the "Albany Advertiser" of the 2nd January in which an article appeared under Mr. Smith's name. It contains the following:—

This section, which comprises a few Labour renegades, who, with the natural attitude of the apostate, are in the main uncompromisingly hostile now to Labour legislation, sets

up a type of opposition that even closes the door to reason, rather than take the risk that reason should prevail. Take, for instance, the appointment of managers to confer with the managers from the Assembly on the disagreement arising out of the Financial Emergency Act Amendment Bill. This surely was a gathering for discussion that should have been approached with a mind open to conviction. But it was not so approached by the majority of the managers from the Legislative Council. The proof of this assertion would not have been available had not the Hon. J. J. Holmes, M.L.C., risen in his place prior to the taking of the ballot to elect the managers of the Council and, after reminding the members of how he had looked after the finances of the State for the past 15 years, assured them that if he was elected to the conference of managers, his attitude would be uncompromisingly one of no surrender. The Hon. A. Thomson, M.L.C., followed. He proceeded in an endeavour to outdo his fellow member—

Hon. A. M. Clydesdale: Impossible!

Hon. A. THOMSON:—

—in convincing those present of his intention to prove impervious to reason. He conformed so precisely with the previous speaker that it almost suggested rehearsal.

Unfortunately I did not have a copy of the "Hansard" report at the time. I again desire to place on record what I stated when managers were appointed to meet those representing another place. My statement, according to the "Hansard" report, was—

I should like to make a personal explanation. I wish to indicate that if the Committee decide to elect me one of the managers, I will adopt the same stand as Mr. Holmes has forecast.

Hon. C. B. Williams: And what was that?

Hon. A. THOMSON: If Mr. Williams desires to be fair—generally speaking, I think he is very fair—he will acknowledge that I did not make the statement that Mr. F. C. L. Smith, M.L.A., attributes to me, a statement which has been broadcast throughout my province. In reply to the suggested uncompromising hostility of my attitude towards Labour, may I quote my remarks in the Council on the 21st December, when I said—

If the Government are in the happy position of having an extra £115,000 at their disposal, I hope it will be distributed amongst the unfortunate unemployed, and not amongst people who are sufficiently fortunate in these difficult times to have a permanent job.

Thus is swept away the much vaunted misrepresentation regarding my uncompromising hostility to Labour. My words show

that I am not antagonistic. I entered the conference of managers with an honest and sincere desire to do what I considered to be right. On the one hand, there was a question of £115,000 and private employers deprived of the benefits of the Financial Emergency Act; on the other hand, it was a question of £350,000, with the private employers still suffering as a result of being excluded from the Act. In view of my attitude, I strongly resent the statements that have been made for political purposes only. Those who know me, know the assertion to be contrary to the facts. They know that I am not opposed to decent wages being paid. For many years I was an employer of labour on a big scale, and the men who worked for me were satisfied with their lot. They recognised that I was a good employer because some of them remained with me for 30 years. I knew I had good men, and I required their services for that period. There must have been mutual satisfaction, or that position could not have continued.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. THOMSON: I was expressing regret that for political reasons I had been accused of adopting a hostile and uncompromising attitude to Labour. Surely we can approach this subject imbued with the desire to meet the needs of the State. We have heard much about equality of sacrifice. The preamble to the Bill contains the following words:—

A plan was agreed upon for re-establishing the financial stability of the Commonwealth and States and restoring industrial and general prosperity by means involving a common sacrifice.

No Government except that of the Commonwealth has been in a position to restore any of the reductions made under the Premiers' Plan. We asked the people of Western Australia to make a common sacrifice, and it can truthfully be said that all sections responded well, if not cheerfully. Even though the newly elected Assembly would place the people of Western Australia in the position of having to make a second sacrifice, surely it is the duty of the Council, if possible, to prevent that happening. If we continue in the direction indicated by the Government, the time will soon come when we shall have to make drastic retrenchments in the public service and drastic curtailments to other services, as well as to call upon the people to

make additional sacrifices. The Government claim that they have a mandate from the people, and that it is the Government's responsibility to find the additional money required under this measure. I differ from that view. It is our duty to safeguard the interests of the taxpayers if we believe that an undue burden is likely to be imposed upon them. While the Government may claim that they have a mandate for their action, I also claim that I have a mandate from my electors. I was returned pledged to oppose any increase in taxation, and I was also pledged to do my best to ensure that the desperate position of the primary producers received attention. So far the Government have not shown any evidence of intention to extend relief to that section of workers, who, so far from being on the basic wage, are in a very parlous position. With the exception of wool this year, all primary commodities are at the lowest price level touched at any time during my residence in Western Australia, and I have been here for 40 years. The prices being obtained by the producers of wheat, butter, potatoes, eggs and fruit are so low that, unless an improvement occurs very soon, there will be nothing but financial bankruptcy for them. I have a duty to perform to the whole of the people of the State, and I deplore the feeling that the Bill has engendered. So far as is humanly possible, we should approach the consideration of the Bill in a spirit of "Come let us reason together," and should jointly consider what is deemed best for the well-being of the State. If we can reduce the deficit, provide profitable employment for the workless and do whatever lies in our power to secure a payable price to our primary producers for their commodities, a measure of this kind will not long be required. I agree with a view expressed by the member for North-East Fremantle (Mr. Tonkin), who, when the measure was being discussed in another place, voiced the fear that its passing might affect the starving and the workless. I am proud to meet that hon. member on common ground. Let us analyse the Government's proposal. A sum of £115,000 is proposed to be handed out to men who are already in constant employment. If that sum were distributed, as I should like to see it distributed, it would provide work on full time at £3 per week for 737 men for a whole year. I want the people of Western Australia to realise my position.

When we gave the Government authority to increase the financial emergency tax up to 9d. in the pound, we did so on a distinct understanding—a statement made in this House by the Chief Secretary that the money was absolutely required to provide work for the unemployed. If the Government have £115,000 available, it would be far better to spend it on providing work for a whole year for 737 men rather than hand the money to men who already have constant employment. To spend the money as I have suggested would mean that a greater sum would be put into circulation. Naturally the people who are fortunate enough to have constant work can always do with a little more money, but contrast their position with that of thousands of men who to-day are not receiving the equivalent of the basic wage for full time work. If we said to 737 men that we could give them £3 per week for a full year I think they would reply, "Thank God for at least one constructive act." As I stated when discussing the Bill of last session, if the money is available, it should be given to the workless instead of to those who have constant employment. If that were done, 737 men would immediately be made free of the dole which, unfortunately, they are compelled to draw at present. If the money were made available to men who have to leave their homes and go into the bush to find work, they would be much happier and their position would be improved. The Honorary Minister stated that the Premier took the £115,000 into consideration when preparing his Estimates. I have searched diligently for a reference to that amount; I have endeavoured to find mention of it when the Estimates were submitted to another place, or when the Bill embodying the Estimates was presented to us, but I have failed to find any reference whatever to the amount. I stated on the 21st December that the alterations to the Financial Emergency Act proposed by the Government constituted a distinct breach of faith with this House, and I still maintain that I gravely doubt whether this House would have agreed to increase the emergency tax up to 9d. in the pound if we had thought that the Government intended to bring down this piece of legislation. The Chief Secretary told us that £317,000 was required from the financial emergency tax and that, if it were not granted, we would have to face a deficit of £1,250,000. There are some people

who state that we have turned the corner. I wish I could agree with them. I admit that there is a slightly better feeling abroad and that the increased price of wool has improved the outlook for the people engaged in the sheep industry, but all other sections of primary producers have nothing but bankruptcy staring them in the face. Very few people under the group settlement scheme, on which the State has expended close on £10,000,000, are in a position to meet their interest bills. That is due to no fault on their part; the price of butter fat is lower than ever it has been. The same difficult position confronts the wheatgrowers. Though I have not lost faith in the future of Western Australia, I still contend that the State has not yet turned the corner. I stood firm on the 21st December last. I said then, and I repeat now, that if the Government are in the happy position of having an extra £115,000 at their disposal, I hope the money will be distributed amongst the unfortunate unemployed, and not amongst those who are lucky enough in these difficult times to have permanent positions. I support the second reading, but I hope the Government will agree to meet this House in some way. If we can meet in a spirit of compromise, much good may be accomplished. I hope that instead of men who are honestly endeavouring to do what they think is best for the State as a whole being misrepresented purely for political purposes, all sections of this House and another place will try as far as is humanly possible to work together to extract Western Australia from the present unfortunate parlous position in which it finds itself.

HON. G. W. MILES (North) [7.46]: Although I took no part in the debate on the previous measure, I should now like to make my position clear. I wish to thank the Press for the compliment they paid me, as well as my colleague Mr. Rose, in giving prominence to the part we took in recording our votes but in refraining from talking. On that occasion I followed my colleague Mr. Holmes, and was pleased to be in his company in the stand he took up. The Premiers' Plan was started two years too late. I wish to pay a tribute to the late Sir Robert Gibson for the prominent part he took in saving this country from going altogether on the rocks. One section of the local Press published some glaring headlines re-

ferring to "The Wages Cut," and to the Legislative Council having taken the business out of the hands of the Government. That section of the Press misled the public. It was not a wages cut. It was a restoration of wages. The Legislative Council re-enacted the emergency legislation. If anyone was to blame it was the Government for not coming to a compromise with the Council. The Bill was dropped through no fault of this Chamber. I am proud of the vote I cast on that occasion, and proud, too, of the action taken by this Chamber in letting the people of the country see the exact position as it stands.

Hon. C. B. Williams: It will suit me if they stick.

Hon. G. W. MILES: This House has no option but to pass the Bill, with amendments. This is the position as it seems to me. Let me take the first part of the performance of the Government in regard to financial emergency. They went to the Loan Council which granted them an extra £100,000, on the understanding that they would budget for a deficit of £750,000. I understand that was the undertaking given by the Premier at the first Loan Council meeting he attended after his election. That pledged the Government to live within their income. The Honorary Minister stated to-night that they had provided for this amount of £110,000 on the Estimates, but that was never announced to the public.

The Honorary Minister: That is not what I said.

Hon. G. W. MILES: I understood the Honorary Minister to say that the Premier had already provided for this when he was framing his Estimates.

The Honorary Minister: That is so. I quoted an amount of between £110,000 and £115,000 for the full year. Members might take that into consideration. We have passed the half-year already.

Hon. G. W. MILES: I am taking the full year into account.

The Honorary Minister: The Estimates are submitted to cover the financial year.

Hon. G. W. MILES: We have heard a lot about the mandate that was given to the Government by the people. I understand the Premier said that drastic amendments would be made to the emergency legislation. I take it the second performance came when they introduced the emergency tax Bill, a drastic amendment. I was in accord with

that taxation measure, but I maintain it should have been brought down by the Mitchell Government in 1930. We would not then have found ourselves in the position that we occupy to-day.

Hon. J. J. Holmes: They would have spent it all.

Hon. G. W. MILES: We should not have had the volume of unemployment we have to-day had there been in power a Government strong enough to tackle the position. If we had been led by a statesman of the courage of Sir George Turner, during the crisis in Victoria in the nineties, this country would not have been in the position it is in to-day.

Hon. J. J. Holmes: And would not have been running a lottery to keep out of debt.

Hon. A. M. Clydesdale: The most awful piffle in the world.

Hon. G. W. MILES: What is?

Hon. A. M. Clydesdale: The way some of you talk.

Hon. G. W. MILES: When I have finished the hon. member can have his say. If he can enlighten the taxpayers more than I can, he will have his opportunity. Let him get on his feet when the time comes. He will probably get someone to type his speech for him and will then read it.

The DEPUTY PRESIDENT: Order!

Hon. G. W. MILES: These unseemly interjections are out of order. I am one of the silent members of the House. I have given other members every opportunity to talk, and now I am going to have my say for a few minutes.

Hon. C. B. Williams: Hear, hear! I suppose it is your own speech you are making?

Hon. G. W. MILES: It is not typed for me by someone else. I agree that the financial emergency tax should have been introduced years before. It was understood by this House that if we agreed to pass that tax, there would be no other interference with the emergency legislation. If that was the understanding, and I think it was, it was a question of practically obtaining the tax under false pretences by inducing the Council to agree to it. It was stated that if there was any surplus it would go towards reducing the deficit, and not paid to a section of the Civil Service.

Hon. C. B. Williams: Where did you get that?

Hon. G. W. MILES: When the tax measure was going through I do not think

the Government had any idea of bringing down this amending legislation. They were stampeded into it by the Trades Hall and the socialistic element of the Labour Party.

Hon. C. B. Williams: The communistic portion.

Hon. G. W. MILES: Not by the right-thinking section.

Hon. C. B. Williams: By the communists.

Hon. G. W. MILES: I take exception to the arrogant manner in which the Minister for Works introduced the amending Bill in another place last session. When the Leader of the Opposition asked where the money was to come from, he had the audacity to say it had nothing to do with the Leader of the Opposition, although he was a representative of the taxpayers, but that the Government would find the money. Who are the Government? The taxpayers of the country! We, too, in this House represent the taxpayers. Before we agree to this Bill it is the duty of the Government to tell us where the money is to come from. The Government through this Bill have set out to placate a section of the Civil Service, men receiving 9s. above the basic wage. I understand it is to benefit men receiving from £184 to £293 per annum.

Hon. C. B. Williams: They are very wealthy, are they not?

Hon. G. W. MILES: I agree with Mr. Thomson. If the Government have £110,000 to spend, their duty is to hand it to the Minister for Employment, who every day and through every issue of the newspaper states that he is trying to find money for the unemployed. The money could be used for reproductive works. According to the Minister's statement, there are 3,000 families on sustenance to-day. That money could better be spent by employing those people on reproductive works. For instance, a sewage farm could be established. That would be a reproductive work and this beautiful river of ours would no longer be polluted. A certain number of the unemployed could be sent out into the country to destroy vermin. That would be a work of great national benefit, and would help not only the wheat farmer but the lumpers as well. The Leader of the House the other day talked about the man on the breadline being protected. The Honorary Minister spoke in the same strain, as also did other members of the West Province. One would think they were the only

people who had any consideration for the man on the bread line. I should like to know if they are sincere in the arguments they used. I have heard Mr. Tom Moore talk on the same lines. He spoke as if he specially represented the man on the bread line. Where does his consistency come in when he follows a Government that will take £110,000 to give to men who are already receiving between £200 and £300 a year? We are told that 3,000 families are still on sustenance. Where is the consistency of the so-called representatives of the men on the bread line?

Hon. C. B. Williams: I thought you were worrying about the private employees.

Hon. G. W. MILES: The Government have appointed a disabilities committee to prepare a case for submission to the Federal Government with a view to securing a further grant for Western Australia. What will that committee say when they come to put their case before the authorities?

Hon. C. B. Williams: We are going to secede.

Hon. G. W. MILES: The Federal Government will say, "You have £110,000 to give your employees; you do not want any further concessions from us." I should like to quote from the table which the disabilities committee are preparing to put before the Federal Government. This deals with the approximate amount of revenue collected by the Commonwealth in Western Australia. Under the heading of Direct Taxation we find—Income tax, £980,000; land tax, £16,000; entertainment tax, £12,000. The last-named tax has been handed over to us by the Commonwealth, and the State Government are now collecting it. Other items are: Estate duty, £39,000; sales tax, £497,000; Customs and Excise, £1,835,000 (on a population basis); other revenue, £232,000; a total of £3,701,000 that the Commonwealth Government are collecting from Western Australia. Then there is expenditure by the Commonwealth in and on behalf of the State; contributions towards interest on State debts, £474,000; contributions towards sinking fund on State debts, £119,000; special grant, £300,000. That £300,000 has since been increased by £200,000 compared with what the Mitchell Government obtained and another £100,000 which the Collier Government obtained, making a total of £600,000. Other items are: Grants

for roads, £348,000; invalid and old age pensions, £678,000; war pensions, £731,000; maternity allowances, £28,000; bounties, £73,000; interest on transferred properties, including post office, £15,000; post office profit, £13,000; total, £2,753,000. Further items are, departmental expenditure, £711,000; unemployment relief, £16,000; war interest and sinking fund, etc., after deducting interest repaid by States on loans for soldier settlement, £829,000; losses on railways on a population basis, £52,000; territories of the Commonwealth, £49,000; a total of £4,410,000. Then there is provision for payment of invalid and old-age pensions, 1932-33, £84,000, making a total of £4,494,000. This representing a benefit to Consolidated Revenue of £793,000. The benefit per head of population is £1 17s. 7d. That is the benefit which Western Australia derives from the Commonwealth, and I am quoting a table which is being submitted in support of the case for a bigger Commonwealth grant. The table should be submitted by the Commonwealth as a reason why the State should not in future get so much as it got in the past. There is another table setting out the revenue collected by the Commonwealth—£3,701,000, less Customs and Excise duties as per appendix 29, £1,835,000, leaving a balance of £1,866,000; plus actual Customs and Excise collected in Western Australia, £1,794,539. This is the point I want to make. It is stated here that if Eastern States imports were subject to the same duties and charges as oversea imports, the amount would be £2,548,000, making a total of £6,208,539; leaving, less Commonwealth expenditure of £4,494,000, a surplus available to the State Treasury of £1,714,539. If the taxpayers pay an extra £2,548,000 in Customs, the State will have a surplus of some £1,700,000. That is the case which is being put up to the Disabilities Royal Commission. The Federal Government should turn this State down with a thud and give it no further consideration whatever.

The Honorary Minister: Should not the hon. member quote, in conjunction with those tables, the statements of the committee that compiled them?

Hon. G. W. MILES: Yes, but those are the figures in the tables as they stand there.

The Honorary Minister: Why not quote the statements?

Hon. G. W. MILES: Surely the Honorary Minister does not expect me to read the whole of the report?

Members: No.

Hon. G. W. MILES: In this State we are paying higher wages than are paid in other States, and higher workers' compensation. South Australia has 50 per cent. more population than Western Australia, and Western Australia has 40 or 50 per cent. more members of Parliament than South Australia, and pays them about 50 per cent. more salary than South Australia pays its members. Again, we pay less taxation than is paid in the other States. Yet the secessionists, or I will say the people who think of going to the Commonwealth—

Hon. A. Thomson: Is this an anti-secession speech?

Hon. G. W. MILES: No; but I want to show, as between the State and the Commonwealth, why the Western Australian Government should not earmark £100,000 to be given to a section of their supporters instead of being used to reduce the deficit. I had the pleasure of meeting an ex-Federal Treasurer before the present State Government came into power, and I told him my private opinion, that the only way to get the people of Western Australia to realise the position was to refuse them any further credit.

Members: Oh!

Hon. C. B. Williams: What a patriot!

Hon. G. W. MILES: I am out to save Western Australia from itself. The present Government, like the Mitchell Government, will borrow from anyone at any time and at any price. Each man, woman and child in Western Australia now owes over £200.

The DEPUTY PRESIDENT: Order! I may remind the hon. member that we are dealing with financial emergency legislation.

Hon. G. W. MILES: Am I not connecting up my argument with that legislation? Let me quote the taxation of Western Australia as compared with that of the other States. Western Australian taxation is £2 19s. 6d. per head, South Australia £4 14s. 3d., Victoria £4 10s. 4d., New South Wales £6 9s. 3d., Queensland £5 4s. 6d., the Commonwealth £8 10s. 10d. And yet we have a Disabilities Committee, and a Government that spend every available penny, going to the Commonwealth for further grants instead of

getting down to business and running the State on business lines. As regards the Public Service, I have heard that they ask, "Why should one section of the community be penalised?" I wish to draw the attention of the Public Service to the fact that the depression struck us in 1930, and that if the Government then in power had had the necessary courage, 20 per cent. of the public servants would have been dismissed; and the same course would have been adopted in the Commonwealth and the other States as well. Then there would have been no need for the 20 per cent. cut in salaries. But the kind-hearted, dear old Premier of the day said, "No: we must keep every man employed; but we must ask you civil servants to make a sacrifice of 20 per cent." To this the public servants agreed. The present Government are as weak as the previous one. If we had a Government strong enough to retrench State employees and run the Public Service on business lines, the drones could be weeded out and the men and women remaining in the Public Service would be given decent salaries. In that way we could save the £350,000. When the fall in prices came, 20 per cent. of the civil servants should have been dismissed, as was done in Victoria during the nineties. The rest of the people in work would have paid income tax, and there is no fairer taxation in the world than that imposed on people who have already made money. Taxation of income earners is a fair means of getting the unemployed back to work. With regard to Part V. and private employers, in my opinion the course proposed means that there must be additional unemployment. I do not altogether blame the present Government for that aspect. I know that for two years I took part in a conference, not as a member of Parliament but as a representative of an organisation which, in turn, represented 95 per cent. of the primary producers of this country. We sent deputation after deputation to the late Government to try to get them to amend the Arbitration Act and the Workers' Compensation Act. However, as Mr. McCallum stated to-day, this is no place for such amendments. As to that, Mr. McCallum is right: but the amendments should be made. If the present Government will bring down a Bill giving Parliament a chance to make those amendments—

Hon. G. Fraser: The present Government will never do that. No surrender!

Hon. G. W. MILES: We want to be placed in the same position as the Eastern States. We cannot pay more for an eye or an arm or a leg than is paid in the Eastern States. We cannot pay a higher basic wage than is paid in the Eastern States and still expect to compete in the market. Either the Eastern States must come up to our level or we must get down to theirs. Hon. members who are out to secure the greatest good for the greatest number will realise that that is the proper method. However, the Government have not the necessary courage to do what is needed. They are dictated to by the red element of Beaufort-street, which comes up here and holds a meeting in Parliament House. The business of the country is held up while that element confers with the Government of the day, telling them not to compromise. I am astounded at the attitude adopted by the Leader of the National Party and the Leader of the Country Party in another place.

The DEPUTY PRESIDENT: I understand that the hon. member is alluding to a debate of last year.

Hon. G. W. MILES: Certainly, Sir; not a debate of this session. I am astounded that those two leaders in another place took the side of the socialistic Government which declared that this Council had no right to dictate to the Collier Government, returned by the people with a mandate, waving a flag inscribed "Collier will fight." Why are the Nationalists and the Country Party supporting him? Those leaders had the audacity to say that the financial policy of the State was not the business of the Council. The members of this Council are elected to review the hasty legislation of another place, especially in view of the weak Opposition elsewhere.

Hon. C. B. Williams: That is hardly fair.

Hon. G. W. MILES: Weak in point of numbers, I mean. When the members of those parties in another place go before their makers, those makers will have something to say as to whether we of the Legislative Council have a right to see that Government expenditure is made in a proper manner.

Hon. G. Fraser: You are not game to give all the electors of Western Australia an opportunity to speak as to that.

Hon. G. W. MILES: There are some who have a great deal to say about the mandate the present Government have from the people. Before Mr. Fraser was born, the

Labour Party was in existence and at each election received a mandate to abolish the Legislative Council. Will the members of the Legislative Council allow the Labour Party to do that? Certainly not. And neither shall we allow them to do what they like with the finances of the country, without our having a say or the taxpayers knowing where the money is coming from. There is this windfall of about £118,000. I think the first time I read of it was in a Sunday paper. Before a number of the present members of Parliament were in this State, or perhaps were born, we had statesmen governing Western Australia. Mr. Clydesdale by way of interjection a little while ago, told us what his grandfather said 50 years ago. The grandfathers of some of the present members pushed them out of the other States and they came here and started to ruin this country for us. They put us in the position we are in to-day—on the rocks. We had statesmen in those days. Sir John Forrest, when he borrowed money, provided a sinking fund to liquidate the debt. We see in this morning's paper that £908,000, which was borrowed by the State 40 years ago and which carried interest at 4 per cent. per annum, fell due to-day and was more than covered by the sinking fund which had accumulated in London. I understand the sinking fund had accumulated before we were foolish enough to hand over our borrowing powers to the Federal Government under the Financial Agreement, which was the first nail in our coffin of unification. In my opinion, the State is entitled to that money, but the Government are not entitled to use it for political purposes, to placate some of their supporters. In my opinion, that money should be used to liquidate our liabilities.

Hon. L. B. Bolton: How do you reckon it will be used?

Hon. G. W. MILES: As the Minister says. The present Government, in the same way as previous Governments did, will collar any cash they can lay their hands on. I do not say the present Government are worse than previous Governments. They are all tarred with the same brush. They took forestry money, with the consent of Parliament; one year they took it without the consent of Parliament. They used trust money. The Government got the £11,000 from the entertainments tax, without which

they said they could not balance their Budget. After getting all that cash, they come along and say, "We have been hoodwinking you people: we have had this £110,000 up our sleeve." Do you call that honest? Do you not think that the taxpayers of this State, who find the money, have a right to know where the money is coming from? I say the attitude adopted by the Government, particularly by the Minister for Works, who was in charge of the Bill in another place, in refusing, as they did last year, to give the taxpayers the information through the Leader of the Opposition, is wrong. We want to get that information before we agree to the Bill. We must agree to the second reading of the Bill; but, as I said before, if we had a Government with the courage to handle the civil service as it should be handled and put it on business lines, it would not matter whether we agreed to the Bill or not, because we could save £350,000.

Hon. A. M. Clydesdale: What would you do with those civil servants who were discharged?

Hon. G. W. MILES: Have I not already told the hon. member? Has he not the capacity to understand? The emergency tax could be increased to 1s. We only pay £2 19s. per head in taxation here, against £4 and £5 paid in the other States.

Hon. A. M. Clydesdale: You would increase taxation?

Hon. G. W. MILES: Yes, to bring it up to the level of that in the other States. I am not advocating further borrowing, and leaving the load for posterity to carry.

Hon. A. M. Clydesdale: Poor old posterity!

Hon. G. W. MILES: My opinion is that we should pass the second reading of the Bill, but that we should amend it to make it agree with the original Financial Emergency Act. I would suggest as a compromise that we re-enact the measure with amendments for six months, or four months. We see by the Press—I do not know whether a certain section of the Press is run by the Labour Government or whether the Labour Government is running that section of the Press—that the House is to meet in March to consider the secession Bill. Parliament could then be given an opportunity of amending the Arbitration Act and the Workers' Compensation Act.

Hon. C. B. Williams: They would not do it.

Hon. G. W. MILES: The Government may not be prepared to compromise but we are. We must review hasty legislation rushed up to this Chamber in the closing hours of a session. The £110,000 at the disposal of the Government should be handed to the Minister for Employment so as to enable him to find work for the 3,000 families that are still on sustenance. It should not be given to a section of the civil service who are above the bread-line. If the Government will not agree to that, may I make another suggestion? I think they will agree to some of the suggestions I make. If not, they will not get their Bill through. My next suggestion is that the Government should distribute the £110,000 among all the civil servants in a proportional manner, say, 10 per cent. to the lower paid servants and 5 per cent. to the higher paid servants. They should also reduce still further the salaries of members of Parliament to £400.

Hon. G. Fraser: You would give the man on £1,000 5 per cent., and nothing to the man on £480.

Hon. G. W. MILES: I would not do anything of the sort. I would ask the hon. member to listen and reason a little. I said that instead of giving the £110,000 to a section of the civil service, pandering to the pets of the party—that is the way I put it—they should distribute it amongst all the civil servants. All the civil servants contributed to the cut. Personally I would not want it back. If it were equivalent to a refund of 10 per cent. all round, perhaps the Government would restore 8 per cent or 10 per cent. to the lower-paid civil servant, and 3 per cent. or 5 per cent. to the higher-paid servants. Those are my views and, had they been carried out before, this country would not be in the position it occupies to-day, and we would not have had all the sensational Press headings about restoration of salary cuts. It is simply a proposal to increase salaries. I support the second reading of the Bill.

HON. C. B. WILLIAMS (South) [8.22]: I intend to be brief. I did not support the Act in the first place. I voted for an amendment of the provisions, much against the grain. The position is not altered. I am very pleased about the wonderful fight this Council put up to preserve its rights, and I want to sympathise with the mana-

gers of the House, the Honorary Minister, Mr. Holmes and Mr. Thomson. I do not blame them for the result which happened. I blame the majority of the members of this Chamber who put them in that position. I intend to quote from "Hansard." With all due respect, the Honorary Minister is not myself, nor am I he. I know what was said by the hon. gentlemen and I know they were elected by the members of this House to represent this Chamber on a "no-surrender" basis. I will read what Mr. Holmes had to say and what Mr. Thomson said, and if anybody can link the two statements up with what was actually said, then I am a Dutchman.

Hon. G. W. Miles: You are a Dutchman.

Hon. C. B. WILLIAMS: Mr. Holmes said—I want to be fair—

I have been approached by a number of members of the House who have suggested that I should be one of the managers. For the last 15 years I have been dealing with the finances of the State, pointing out where the drift commenced and where it will end. During this session I was on a managers' conference on the Financial Emergency Tax Bill, and at that conference we were told that every available penny would be required to keep within the agreed upon deficit; and that if more money than expected should be derived from that tax, it would go towards reducing expenditure.

Hon. C. B. Williams: Is the hon. member in order in discussing that?

Hon. L. B. Bolton: Why bring that up?

Hon. C. B. WILLIAMS: I am not satisfied with the members of this House, who are responsible for bringing me down to this hot hole. Mr. Holmes proceeds—

What I am doing is being done to facilitate business. If elected one of the managers for this House, I will go to the conference determined to adhere to the policy I have advocated for the last 15 years. That is what I mean to say.

The President: The ballot will be taken under Standing Order 332.

Now, if you can connect this up with what was said by Mr. Holmes, I am a Dutchman. The report proceeds—

Hon. A. Thomson: I should like to make a personal explanation. I wish to indicate that if the Committee decide to elect me one of the managers, I will adopt the same stand as Mr. Holmes has forecast.

That is quite different from what Mr. Holmes has said. There is something missing. Mr. Holmes said something which Mr.

Thomson backed up, because I immediately got up and said this—

Since there are so many personal explanations going, I wish to make one. We know now what to expect from the two members who have spoken, but if I should be elected one of the managers, goodness only knows what will happen.

That is enough. Definitely, they put their cards on the table. I voted for the motion, but no matter what occurred, they went to that conference with their hands absolutely tied.

The DEPUTY PRESIDENT: Order! Does the hon. member accept the "Hansard" version as correct?

Hon. C. B. WILLIAMS: I am accepting my own hearing.

The DEPUTY PRESIDENT: I ask the hon. member, as I did the Honorary Minister, if he accepts the "Hansard" version as correct?

Hon. C. B. WILLIAMS: I do not know if you have any power to ask me what I accept.

The DEPUTY PRESIDENT: I am asking you.

Hon. C. B. WILLIAMS: You have no power to ask me what I accept.

The DEPUTY PRESIDENT: Order! I have power to stop the hon. member, as I stopped the Honorary Minister. I ask the hon. member if he accepts the "Hansard" version as a statement of what did happen in this Chamber?

Hon. C. B. WILLIAMS: I am not answering the question.

The DEPUTY PRESIDENT: Then the hon. member will not proceed any further on those lines.

Hon. C. B. WILLIAMS: Very well, if that is your ruling. I do not want to raise an argument.

The DEPUTY PRESIDENT: I am extending the same treatment to the hon. member as I did to the Honorary Minister. I asked him the same question. The Minister submitted, and said he did agree that what was contained in "Hansard" was correct.

Hon. C. B. WILLIAMS: I am not the Honorary Minister.

The DEPUTY PRESIDENT: As the hon. member does not agree that what is contained in "Hansard" is a correct version of what took place, he must ask for the shorthand notes taken by the reporter at the time, to be read to the Council.

Hon. C. B. WILLIAMS: My hearing is just as good as that of the reporter.

The DEPUTY PRESIDENT: Never mind about your hearing.

Hon. C. B. WILLIAMS: Very well, I have said what I wanted to say.

The DEPUTY PRESIDENT: I ask the hon. member, before I allow him to proceed further, if he accepts the "Hansard" version of what happened as correct?

Hon. C. B. WILLIAMS: I do not know that you are in a position to ask me questions. I am a member of this House and—

The DEPUTY PRESIDENT: The hon. member was about to read something into the "Hansard" report that is not contained in it. That is why I stopped him.

Hon. C. B. WILLIAMS: That may be your interpretation. I bow to your ruling, as, evidently, you seem to know what is in my brain better than I do.

The DEPUTY PRESIDENT: The hon. member was about to suggest something not contained in "Hansard" and I asked him, as I asked his Leader, if he accepted the "Hansard" version as correct.

Hon. C. B. WILLIAMS: I am not answering questions unless I choose. I want to say that the Government of the State were elected with a mandate from the people. No matter how members attempt to wriggle out of it, every Government in Australia that fostered legislation of this kind was defeated on the hustings. The Federal Labour Government, the South Australian Labour Government, and the Mitchell Government in this State were all defeated. In this State only two Ministers were re-elected out of five that went to the country. What right have members of this Chamber, who represent only a third of the electors that the members of another place represent, and who go to the country every six years, to deny the Government the right to legislate as they choose? I agree that this Bill represents an attempt to restore to the workers of the country some of the things that were taken away from them, under the impression that lower wages were going to benefit the people of the State.

Hon. L. B. Bolton: They did.

Hon. C. B. WILLIAMS: They did! It makes me smile to think about it. They did nothing of the sort.

Hon. L. B. Bolton: They gave more employment to the workers.

Hon. C. B. WILLIAMS: They forced thousands of unemployed workers into camps in various parts of the State. What was done did not result in the employment of anybody, but reduced the spending capacity of the people of the State as a whole, and frightened people into not spending money, which was the worst feature.

Hon. H. J. Yelland: Now tell us what higher wages would have done.

Hon. C. B. WILLIAMS: If I stayed up all night telling the hon. member what the effect of higher wages would be, he would not listen, and I would be merely wasting time. Members representing country districts are always telling us that if the farmers could get double the price for wheat, the State would be prosperous. Does that not apply equally to men in other walks of life? Of course it does, because the more a man gets, the more he spends. That is the type of citizen that counts, not the fellow who hoards his money. That type of individual is absolutely useless to the State. If a man's wages are suddenly reduced by 22½ per cent., it means that he must spend less, merely because he gets less. Because his wages have been reduced, he becomes scared of a further reduction and that means still less expenditure. The present Government are paying an increased amount to sustenance workers and have endeavoured to place them on the basic wage basis. Since that policy was introduced, prosperity has been fairly evident throughout the State, compared with the position some time back.

Hon. W. J. Mann: Taxation has been increased too.

Hon. C. B. WILLIAMS: Mr. Miles showed the position regarding taxation, and indicated that Western Australia ranks lowest in the Commonwealth. There is plenty of room for improvement there.

Hon. W. J. Mann: What, more taxation!

Hon. C. B. WILLIAMS: Yes.

Hon. W. J. Mann: You advocate that when you go up for election next time, and see where you get.

Hon. C. B. WILLIAMS: I am advocating it now. I advocate that those who are prosperous be made to pay.

Hon. W. J. Mann: Well, you try it next time.

Hon. C. B. WILLIAMS: I intend to do so. I would not tax the man in receipt of

£1 or £1 10s. a week, and never have done so. I am consistent, because I voted against the Financial Emergency Act when it was introduced by the previous Government and it goes against the grain for me to vote for the Bill though it is a little different. For my part I hope the Council will fight. I love a fight, and I hope the Government will stick to their guns right through. It will do me. My policy would be: No surrender.

Hon. A. M. Clydesdale: Did you say that?

Hon. C. B. WILLIAMS: No, I did not! If the Government stick to their guns, it will satisfy me and everyone else in Western Australia. The Government should know whether they can finance the increases. Increased wages and salaries will mean added spending power all round. If the legislation is regarded as a sop to the electors, let us hope it proves to be such, and I trust the Government will display more backbone than Labour Governments in the other States have indicated. Elsewhere Labour Governments took the knock, but in this State the Labour Government have not done so.

Hon. W. J. Mann: Not yet.

Hon. C. B. WILLIAMS: Nor will they take the knock.

Hon. W. J. Mann: How do you know?

Hon. C. B. WILLIAMS: I trust them.

Hon. J. J. Holmes: If you help to defeat the Bill, you will give the workers £350,000, and that will be a means to added prosperity, according to you.

Hon. C. B. WILLIAMS: There is no mistake about it; I want my £12 a week back. I was elected to this House on a basis of £50 a month, and I am getting only £38.

Hon. L. B. Bolton: And you are well paid.

Hon. C. B. WILLIAMS: I am not. There are no greater lower wages advocates than are to be found here. We have men like Mr. Thomson and others representing country interests who never do anything but advocate a reduction of wages.

Hon. A. Thomson: I request that that statement be withdrawn. It is quite incorrect.

Hon. C. B. WILLIAMS: I do not want to hurt Mr. Thomson's feelings very much, so I will withdraw it. I will take my old friend Mr. Miles who suggested that the Government should amend the Arbitration Act to allow the Court to reduce wages further and further on the assumption that the more that is taken off wages, the more men will there be in employment.

He has never seen the fallacy of that argument. He also wants the Workers' Compensation Act amended as another means of restoring prosperity to the farmer. In this State the farmer is the only individual who is down and out. The gold mining industry is 10 per cent. above its normal value and wool has increased 300 per cent. compared with former prices. Only the farmer is lagging behind and wants a kick along.

Hon. J. J. Holmes: You want to give him the kick by allowing the civil servants £115,000.

Hon. A. M. Clydesdale: You want to save that for the farmers.

Hon. C. B. WILLIAMS: The farmers' representatives in Parliament will not recognise that they have no chance in the present scheme of things. Everyone who handles wheat shows a profit except the man who grows it, and he has no chance whatever. We have only to consider the other countries of the world that are growing wheat to realise that Western Australia, being so far away from markets overseas, will have no hope whatever when Russia comes into the market again. In those days farmers will have to look round for something else to do, and they will not go on beyond this year at 2s. a bushel. Because farmers are working unprofitably, that is no argument for bringing others down to their level. Rather should the farmer be brought up to the level of the worker and be given the basic wage for growing his wheat. It is time the farmer's position was improved even if the people as a whole have to be taxed in order to pay them. I trust the Council will fight as it fought some weeks ago, and that the Government will stick to their guns just as solidly as they did before.

Hon. J. J. Holmes: Just what do you want?

Hon. C. B. WILLIAMS: I want to see a fight. The struggle is long overdue.

Hon. A. M. Clydesdale: Rafferty rules?

Hon. C. B. WILLIAMS: Yes, the fight should be "all in." The Council has been most overbearing to the Labour Government. That position was made quite clear when we discussed the Lotteries Act Amendment Bill. The Council endeavoured to foist their views on the Government regarding the membership of the Commission, but in the end the Council gave way on an attitude that they

should never have adopted. I do not care whether the Bill be passed or rejected. It will suit the workers if it is not agreed to, for it will force Labour to fight in order to give effect to Labour's policy. That policy will not be the one laid down in the Premier's Plan. That policy was enunciated by the Associated Banks and the Commonwealth Government. Labour in this State cannot continue along the present conservative lines, and the sooner that fact is realised, the better it will be. That is why I want the fight now. So far as it has gone, the fight has represented 100 per cent. victory for Labour. The people know that the Labour Party will not agree to the Council's domineering attitude. I am not much concerned about the civil servants. They occupy fair positions and have lifelong jobs. They have something to be thankful for. The Mitchell Government had no right to place the Arbitration Court in a position to reduce wages 22½ per cent. or by some other percentage, provided the employers were able to show that their activities were not so prosperous as in the past. In this State two of our great industries are on their feet, and the third is weak. I cannot see how the position of the latter will be improved if wages are further reduced. Where wages are highest, prosperity is always greatest. With the advanced price for gold, it is wonderful to know that people employed in the gold mining industry can enjoy a basic wage of £4 6s. a week, but it is dreadful to think that Commonwealth employees working on the railways a few miles away, have to be content with £2 a week less. That is utterly stupid. It is wonderful to know that the people in the goldmining industry have never felt the pinch and that the people on the goldfields have enjoyed prosperity, apart from the few who have been out of work. I cannot for a moment agree that a reduction of wages will improve the economic situation. Mr. Miles referred to the position in Victoria and said that that State had been assisted out of its period of depression by Sir George Turner. It was not Turner that helped the State out; it was migration to Western Australia. In Victoria at that time wages were down to from 3s. to 7s. 6d. a day, and 5s. was paid for a man, horse and dray. Do we want to revert to those conditions? In Victoria at that time boys working in

mines were paid 4s. and men 7s. 6d. In Western Australia men working underground received 11s. and those working on the surface 10s. 6d. Victoria was made prosperous just as Italy has been helped towards prosperity. Men came from Victoria to Western Australia where they lived on a crust and sent their money to their people in the East, just as to-day Italians come here and send their money back to their homeland. The discovery of gold in Western Australia put not only Victoria, but the rest of Australia on its feet. That is admitted. I will support the second reading of the Bill, but I am not satisfied with it. If the Council fight, I will enjoy it.

HON. H. V. PIESSE (South-East) [9.43]: The fault regarding the present position appears to me to be entirely the responsibility of the Government. There is no doubt that when the managers representing the Legislative Assembly went to the conference on the Financial Emergency Act Amendment Bill last session, they were just as determined as the two managers representing this Chamber, that they would not give way.

Hon. G. Fraser: You admit that!

Hon. H. V. PIESSE: I feel sure the futile threats now being made by the Government to the Legislative Council regarding an increase in taxation, will be of no avail. We must all realise that such a move would destroy the industries and investments of people who are overburdened at present. The Premier and the Minister for Works have not convinced me of the advisableness of passing the Bill, nor has the Honorary Minister, but I am still open to conviction. Unlike those members who attended the conference, I am always looking to find the best that can be obtained. As to the accusation against our two managers, undoubtedly they were elected by the whole of this House and we are proud of the stand they took. At least I am. Any mandate from the electors is always conditional upon funds being available. If a man is controlling a business and the shareholders say they desire a certain policy to be put into operation, what is the first essential? Funds have to be available. We have not been told by the Premier where he is going to get the £110,000 or £115,000 to provide the increase for one section of the civil service. I would not be averse from voting for the distribution of

the money amongst the civil servants if it were to be paid on a pro rata basis. I agree that men on the higher salaries should not participate in the small amount of money that may be available, but we have yet to ascertain that the money is available and where it is to come from. Is it intended that it should come out of loan funds? Almost daily we read in the Press that the deficit is increasing. Certainly it is not being reduced, and the Government have promised to keep the deficit for the current financial year down to £750,000. It is clear that we cannot depart from that promise if we are going to carry out the Premiers' Plan in its entirety. The Budget must be balanced before any restoration of wage or salary cuts can be contemplated. The Government should not introduce measures of this kind. There is no safe course for Parliament to follow other than to insist upon cutting expenditure. Those people enjoying fixed wages and salaries are in a much more favourable position than are those on part-time work, relief or sustenance employment, or those engaged in primary production. Can anyone say that we have turned the corner? The depression has been with us for the last three years; in fact, longer than that, but the most acute portion has been that of the last three years. The only primary commodity that has improved has been wool, which Mr. Williams has told us has increased in price by 300 per cent. Yesterday I had my clip in the sale, and the top price I received was 26½d. Little did I dream 12 months ago that wool this year would bring such a price.

Hon. C. B. Williams: Otherwise you would have had more sheep?

Hon. H. V. PLESSE: Had I known as much as I know now, I would have liked to have more sheep. We cannot be said to have sighted the corner until our primary products are operating on a reasonably profitable basis. Wheat to-day is 1s. 11⅞d. per bushel.

Hon. A. M. Clydesdale interjected.

Hon. H. V. PLESSE: We want the wheat farmers to carry sheep in order to assist them profitably to conduct their propositions. It will be the salvation of this country if the wheatgrowers carry sheep so that they will have wool to fall back on. Still, there is no guarantee that the price of wool will be maintained. Only 12 months

ago the price was at a very low level. However, the price is up to-day, and we can only hope that the experience with wheat will be the same. Butter fat is down to 8d. per lb. I was in the Denmark area this week, and potatoes were unsaleable. Eggs were bringing 4d. per dozen. When I passed through my home town yesterday, a lady told me she had brought in six cases of apricots and asked whether I could give her 2s. a case for them.

Hon. C. B. Williams: Send them up to me.

Hon. H. V. PLESSE: If the hon. member likes to open up an agency for my district, I shall be pleased to appoint him, though I should want to know what amount of commission he required. So long as we are confronted with the uncertainty of payable export prices for our commodities, we shall be a long way from recovery. The State finances need most careful handling. Further curtailment of Government expenditure should be proposed, rather than increased expenditure and bigger deficits. Those are the lines upon which Parliament should be thinking. How can we expect to retain the confidence of people abroad from whom we are borrowing money, or of the people within Australia, if we continue to increase our loan expenditure so greatly and have so little to show for it? We are falling down on our undertaking with the Premiers and the Loan Council in not balancing our Budget. This sort of finance must end in chaos, and before long there must come a reaction, resulting in further reductions—greater even than those provided for in the Act that has just expired—in the wages and salaries of Government employees and more retrenchments. The cost of Parliament might well be questioned. I feel that, if necessary, members would agree to reduce their salaries, although such a reduction would not have a great effect on the Budget position, but rather than have the increase proposed by the Bill, I feel confident that members would agree to a reduction in their present salaries. The Government should not legislate for one section of the Civil Service. If the Government have £110,000 or £115,000 available, why not pay it out on a pro rata basis to those receiving the minimum salary over the basic wage, excluding members of Parliament and employees receiving, say, over £600 or £800 a year. If the Government

have the money to distribute, they should distribute it equally amongst the employees who have stood loyally by the Mitchell Government and the present Government during the last three years. One should congratulate the Civil Service on the manner in which they accepted the reduction of salaries, and on the small amount of complaint that has been voiced. Lately, however, we have been reading in the Press of the civil service organisations complaining about the proposed increases. The primary industries of this State are in a very parlous condition. If the Premier has £110,000 or £115,000 to spare to pay to civil servants, I think it might well be reserved for the industry on which we rely to keep Western Australia going, namely, primary industry. All possible assistance will be needed. I am conducting the farms of various men who, unfortunately, are under trusteeship. One of those men came to me last Monday to inform me that he had received a summons from the road board for rates amounting to £5 12s. 6d.

Hon. A. M. Clydesdale: How far did he travel?

Hon. H. V. PIESSE: He travelled 68 miles to tell me that he had received the summons.

Hon. G. Fraser: He could have paid the rates out of the cost of the petrol.

Hon. H. V. PIESSE: But not without my consent; I was his trustee. I had already paid the rates to the road board, for which I held the receipt, but through an error of the secretary of the board, a summons had been sent to the farmer. That was the last straw and the man came in and said to me, "I am finished; that is the end of me." There have been similar happenings right through the State. Is it fair for the Premier to propose to give increases to men who are drawing £4 a week when our agricultural industry is in such a parlous condition? I say it is not. I intend to stand four-square against this Bill and will oppose those provisions unless it is proved that the money will be forthcoming without further taxation. We are all suffering from the depression. Let us all benefit when recovery is assured. I shall support the second reading, reserving the right to vote against various clauses in Committee. I intend to support the re-enactment of Part V. of the original Act. The Government have done

what may be considered a clever thing in passing out Part V.

Hon. E. H. Harris: Politically clever?

Hon. H. V. PIESSE: Yes. Perhaps members who are business men employing a large amount of labour may be accused of a desire to reduce the wages of workers. Business men generally, on the contrary, would be only too pleased to pay increased wages if they could get the chance of production. That is the difficulty. Down on the beach at Albany the other day a man said to me, "If that proposal is passed by the Council, I shall dispense with six men at once." That was not a threat to me to stand firm; he was a city man. I have been elected to represent a country constituency, but I think members will concede that I have always endeavoured to be fair to all industries operating in the State. If Part V. be not re-enacted, it will be a very serious matter for our industries.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [8.58]: I move—

That the debate be adjourned.

Motion put and a division taken with the following result—

Ayes	13
Noes	11

Majority for	2
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AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. J. Nicholson
Hon. J. T. Franklin	Hon. E. Ross
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. E. H. Harris	Hon. H. J. Yelland
Hon. J. J. Holmes	Hon. G. W. Miles
Hon. J. M. Macfarlane	(Teller.)

NOES.

Hon. A. M. Clydesdale	Hon. R. G. Moore
Hon. J. M. Drew	Hon. H. V. Piesse
Hon. G. Fraser	Hon. A. Thomson
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. H. Hall	Hon. T. Moore
Hon. W. H. Kitson	(Teller.)

Motion thus passed; debate adjourned.

House adjourned at 9.2 p.m.